THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

November 25, 1939

Goal of Japanese Operations in South

By John Ahlers

Reconstruction in the North

SPECIAL CORRESPONDENCE

War on North Sea Shipping

U. S. Armament Expansion

AN EDITORIAL

Tokyo and Moscow Speed Negotiations for Settlement of Disputes; Deal Looms

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

SCHOOLS CRITICIZED

To the Editor:

Perhaps nowhere in China are there so many supplementary schools as in Shanghai. This kind of institution is presumably intended, in the main, for employees of business firms and shops who find their knowledge inadequate for their particular line of work and thus require additional study. However, casual inquiry exposes the fact that those schools are not what they ought to be.

I have taught in such schools and found that their greatest shortcoming lies in the fact that they lay emphasis on quantity to the neglect of quality. They vie with each other in recruitng students. There are no restrictions on entry, provided the tuition fees are paid. As a consequence, some classes are so congested that the teacher is obliged to act as if he were delivering a speech before a mass gathering. Yet each school claims it is the best, and to show that it is thriving proclaims the number of its students and graduates with total disregard for their real achievements.

Then, too, the supplementary schools permit students to choose their courses and grades of their own free will. Those with a junior middle school first-year foundation study together with senior third-year students. There are exercises, minor tests and final examinations, but they are a mere formality, and students, in effect, promote themselves. Those with a term grade of 20 points can move to upper or advanced classes. Few teachers will advise students to repeat the work which they have done inadequately, for that would injure the susceptibilities of the students and might even anger the school authorities, for a student assigned a grade against his will usually quits, and that means loss of students.

Last but not least, attention must be drawn to the fact that a supplementary school corresponding, say, to regular middle school, requires only three years instead of six. However, some textbooks are too large to go through in one term, with the result that students, when only one-half or one-third of the way through a book, will take up a new one without having mastered the contents of the one before.

Supplementary education, if not overhauled, will remain an utter failure. Schools giving supplementary education should be nationalized and subjected to control. Private schools should be placed under strict government supervision. Only thus will it be possible to convert them from mere student-recruiting and fee-gathering agencies into real educational institutions.

T. W. LOH

Shanghai, Nov. 14, 1939

SCRAP-IRON FOR WANG

To the Editor:

You have been very kind indeed in having that letter from P. S. Lin printed in the form of an article in your magazine. To sum up, the article pointed out that Wang Ching-wei was all right and the opposition, including all of us, were all wrong.

It would certainly appear ridiculous and useless to argue with a person whom we had already disowned. However, I would suggest in order to commemmorate Wang's greatness in being able to think he alone is right, a statue of him be cast in iron in kneeling position and set at the foot of the Purple Mountain below Dr. Sun's Mausoleum. Mr. Wang may feel himself flattered at this suggestion, but how and what else can we do to honor a man of his standing? Let all those who have love for Mr. Wang contribute iron materials toward the casting of this statue, regardless of whether Wang will live to see it or not.

I think someone in Shanghai should start a collection of scrap-iron for the casting. One nail from each of China's 400 millions ought to be more than enough. Let's call it a "One Nail Movement." The statue must be an imposing affair, in contrast to the one at Yo Fei's tomb, or else our Mr. Wang would feel insulted.

FRANCIS K. TSU

Shanghai, Nov. 15, 1939

Editor's Note:—What method would Mr. Tsu suggest for protecting the scrap-iron donations and the resulting statue from the Japanese collectors of scrap-iron?

GEN. CHIANG'S BIRTHDAY

To the Editor:

On the nights of Oct. 30 and 31 thousands of people here of all ages and walks in life celebrated in riotous revelry the birthday of our Tsungtsai. Gen. Chiang's eldest son, Chiang Chin-kuo, now Administrative Commissioner for Kanhsien, took the lead in the festivities. Thousands of people assembled in the Tsungchen Park to pay respects to Gen. Chiang's photograph. More than 1,000 members of the local Youth Service Corps drank toasts to the Tsungtsai and national and party songs were sung by boys and girls. A Russian song was sung by Mrs. Chiang and Mr. Chiang made a speech. An atmosphere of perfect cordiality and extreme rapture prevailed and Mr. Chiang drank toasts at every table. Such a spirit has never been witnessed among people and officialdom. The lantern procession on the evening of Oct. 31, with a firecracker display, was participated in by thousands of civil servants, students, uniformed men and merchants. Banners representing airplanes, warships, pictures and draw-

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Index for November 25, 1939

Editorial Paragraphs

War Responsible for Vast U. S. Armament Expansion 457
Tokyo and Moscow Speed Negotiations for Settlement Of Disputes; Both Show Desire for a Deal 459
Japanese Military Operations in Pakhoi Region Have Severance of Indo-China Supply Route as Goal.......*By John Ahlers* 461
Japanese Liner Blown Up off Coast of England as War on Shipping in North Sea is Intensified 463
The Most Important of the "600 Cases" Against Japan 466
American Officials Gather for Conference on U.S.S. Augusta .. 467

Special Articles

National Salvation and Construction in the North 471
Japanese Troops Penetrate Kwangsi; Fall of Nanning Believed Imminent 473
Drought Cuts Korean Rice Crop by 42 Per Cent; Japan Faces Shortage 474
Chiang Takes Presidency of Executive Yuan as C.E.C. Votes to Summon People's Congress Next Year 475
Two Japanese Subjects are Slain in Shanghai as Wave of Killing Mounts 480

Departments

What People Are Saying 455
Outstanding Events in the Sino-Japanese War 482
Who's Who in China 483
Men and Events 484
New Books of Interest in the Far East 488

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ings showing Japanese atrocities were features of the procession.

On every side there was displayed deep love and esteem for our Tsungtsai.

H. C.

Kanhsien, Kiangsi,
Nov. 1, 1939

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WAR RESPONSIBLE FOR VAST U. S. ARMAMENT EXPANSION

REPRESENTATIVE Carl Vinson, chairman of Naval Affairs Committee of the House, has announced his intention of introducing a bill authorizing the expenditure of U.S.$1,300,000,000 to strengthen the U. S. Navy and Naval Air Force. With this money he would construct 126 new naval vessels displacing 525,000 tons, 2,395 of the most modern airplanes and 36 dirigibles. The new warcraft would include 95 warships, of which three would be aircraft carriers, eight cruisers, 52 destroyers and 32 submarines and in addition 125,000 tons of auxiliary. Mr. Vinson believes that the ships can be constructed in three or four years.

The introduction of a bill in Congress does not mean that it will be enacted into law, but what the chairman of the Naval Affairs Committee has in mind, in all probability, is the necessity of developing a separate U. S. Fleet for the Atlantic, as the present fleet must be kept in the Pacific. It was pointed out in an *International News Service* dispatch from Washington on Monday of this week that the U.S. Asiatic Fleet has now been expanded to 41 war vessels, which is the largest concentration of American fighting forces in the Asiatic Squadron since the days of Admiral Dewey and the Battle of Manila Bay.

The Navy now has 72 ships under construction in private and government yards and recently President Roosevelt ordered construction speeded up by placing all yards on a 24-hour basis. The President also ordered the Navy personnel increased from 110,655 to 145,000.

Acting Secretary of Navy Charles A. Edison, announced that 116 destroyers which had not been in service since the Washington Conference (1922) were being reconditioned for "Neutrality" patrol service 200 miles off the Atlantic coast.

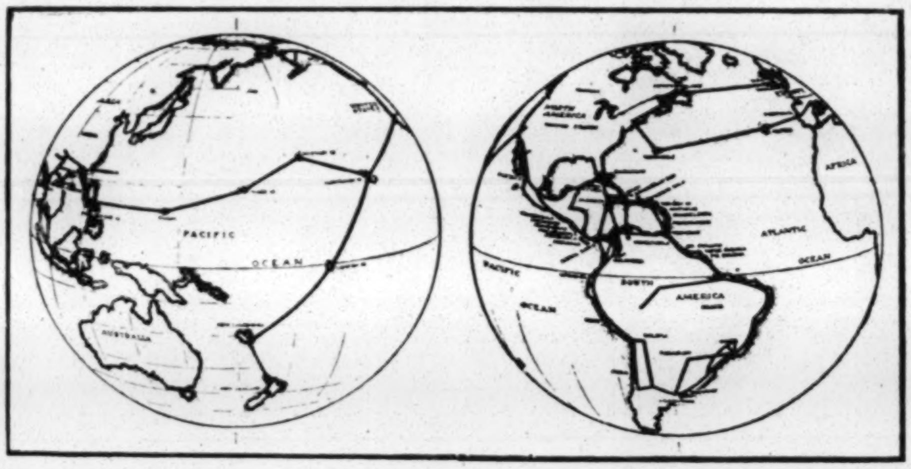
The Panama Canal Zone was placed under strict martial law and an additional force of 3,600 men was sent there for guard duty.

While initial attention is centered on naval development—due to the critical situation in the Pacific—the Army is also to be expanded to full peacetime strength. Early in September, immediately following the outbreak in Europe, the President ordered the Army also expanded to full peace-time strength, from 210,000 (including 31,000 Philippine Scouts) to 227,000. Secretary of War, Harry H. Woodring, announced on Nov. 19 that he also would ask Congress to provide for a "perfect" American Army capable of defending the western Hemisphere. Forecasting a larger American standing army he said that the day of a "skeleton" American Army was past. He also indicated that the United States does not intend to wait two years, as it did in the first World War, before taking definite steps to prepare. In the previous struggle the U.S. finally moblilized (1917-1918) 4,355,000 men, of whom 350,300 were casualties overseas.

The President probably will ask Congress for U. S. $3,000,000,000 for Army and Navy purposes—which would mean $1,700,000,000 for the Army, in view of Chairman Vinson's demands for the Navy. The chairman of the Military Affairs Committee of the House said he would ask Congress for supplementary credits to increase the army to 280,000 and the National Guard to 320,000. Expansion of militia forces, college R.O.T.C's and other forces will enable the United States to place large, well-trained and well-officered forces in the field in short order.

Of more spectacular interest has been the development in aviation. Chairman Vinson of the House Naval Affairs Committee announced that he would request appropriations for 2,395 of the most modern airplanes. Since American airplane factories are already operating at full capacity on U.S. Government and foreign orders, one wonders how the industry could undertake large additional domestic orders. It may be assumed that if the Navy asks for 2,395 new planes the Army will not be far behind that number when its requirements are aired in the coming session of Congress.

Pan-American Lines Girdle the Globe



Newsweek

Pan-American Airways is the only American aviation transport concern which has developed a world encircling system, as indicated in the above map showing the various lines. Whether the war will adversely affect the Company's operations remains to be seen; it has already made Lisbon the European terminus. The Company has recently expanded its service in South America to take over lines from which German and French subsidized firms were forced to withdraw. Pan-American has announced a U.S.$6,000,000 expansion program south of Panama, including the addition of six Boeing flying boats, three 33-passenger "stratosphere type" Boeing land planes and 13 Douglas DC3 21-passenger transports. This will be in addition to the 131 planes already in operation. There is deep interest in the Far East in Pan-American achievements due to its operation of the Trans-Pacific and San Francisco-New Zealand services and Pan-American's interest in China National Aviation Corporation, temporarily excluded from coastwise and Yangtsze routes by the Japanese invasion.

According to a *Reuter* report from New York last week, the U. S. Government may decide to assist the aircraft industry with subsidies. The *New York Times* was quoted as stating that it was only in this manner that the private companies would be able to cope with the tremendous demand. The United States is now producing about 1,700 planes a month, which is far below Germany's reported production of 2,500 aircraft a month, with a possibility of much greater production in case of necessity.

President Jouett of the American Aeronautical Chamber announced (*Havas*) that the United States would be able by the end of 1940 to turn out planes at the rate of 25,000 a year. The present production, according to Mr. Jouett, is 16,000 planes a year.

The British Air Ministry placed an order with the North American Aviation Corporation at Inglewood, California on Nov. 18 for 400 training planes. Total British orders placed with this company alone amounted to U.S.$24,000,000, according to the report.

The U. S. Army's Seventh "Cavalry" Brigade

Wide World—Newsweek

The U. S. Army, even after the world war, held out against armored cars and tanks, but the conservatives finally capitulated and the Army is now being rapidly equipped with combat cars and tanks like the above which belong to the Seventh Cavalry Brigade. The Army is expected to ask the forthcoming session of Congress for authorization to increase its force to 280,000 officers and men, which is the limit of peace-time strength. Recently the Army awarded its largest ordnance contract, U. S. $6,000,000, for 329 speedy 12-ton light tanks, capable of making 60 miles an hour.

Since present airplane development owes much to the boost it received in the previous war, it is expected that the industry will receive an even greater promotion from the present struggle. American aviation has already become "big business" in the United States, according to the magazine *Newsweek*, which stated that U.S.$50,000,000 had been spent on research in the past five years and that last year's exports were valued at U.S.$68,000,000—up 73 per cent over the previous year—and total production for the first 10 months of this year was U.S.$110,000,000. American airlines carried 1,343,427 passengers, and lines to foreign points carried an additional 192,684—a total increase of 246,376 over 1937. The Aircraft Yearbook for 1939 stated that the country's present production of 200 military planes a month "could be doubled without increasing factory space." The report concluded that since aviation remains "the most persuasive force in international relations," present and potential output of planes in the United States gives the country a "decided military importance."

The goal which the aviation industy has hoped for is "mass production," similar to the automobile industry, according to another article in the same magazine. Certain standard parts such as propellers, wheels, and to a lesser extent, motors, are already produced under "mass" conditions, but the rapidity with which airplane design changes has made it impossible to turn out planes as motor cars are produced. A recent meeting of the Society of Automotive Engineers at Los Angeles devoted most of its discussions to means of speeding up production—quite necessary in view of the fact that the industry is said to have orders on hand aggregating U.S.$283,000,000.

It was claimed by the writer of the foregoing article that plane production in American factories could be stepped up to about 1,000 a month. Engineers were chiefly concerned with designing for production efficiency as well as plane performance; developing interchangeability of parts so that plane sections could be fabricated and finished in separate departments and brought together on a final assembly line, and the use of jigs, dies and hydraulic presses to form parts, as long has been the practice in the automobile industry

The U. S. emerged from the previous war with a fleet potentially stronger than Britain's and an army regarded as the strongest in the world. In the post-war let-down, the army was completely demobilized and the fleet reduced to a technical parity with Britain's. Actually, however, America built no warships from the close of the Washington Conference to the F. D. Roosevelt Administration, thus permitting both Britain and Japan to build ahead of the American Navy. Aside from the actualities of war in both Asia and Europe, the most significant world development has to do with the rapid expansion of American armament and the apparently complete change in sentiment on that subject on the part of the American people.

Tokyo and Moscow Speed Negotiations for Settlement Of Disputes; Both Show Desire for a Deal

GERMANY TO USE VLADIVOSTOCK AS A BASE FOR PACIFIC RAIDERS?

A report which may be designed to increase Japan's bargaining power with Britain and France and, as a result, with Moscow as well, was cabled from Rome this week by the correspondent of the Nichi-Nichi newspaper clain. It was understood in Rome, the correspondent said, that an agreement had been reached by Germany and the Soviet Union by which the Siberian port of Vladivostock would became a base for Nazi sea raiders in the Pacific and for the sale to Germany of one-half of the Soviet submarine force at present based on that port. Simultaneously *Domei* reported that a "mysterious" two-masted cruiser had been sighted south of the tip of the Izu peninsula, near Yokohama, by the captains of the Netherlands liner Tjisalak and the Japanese freighter Yeizan Maru. If Allied shipping in the Pacific is seriously threatened, Britain and France will have urgent reasons for securing Japan as an ally. At the very least they will want to ensure that Japan does not become the "ally" of Stalinist Russia, Hitler's accomplice in the present war.

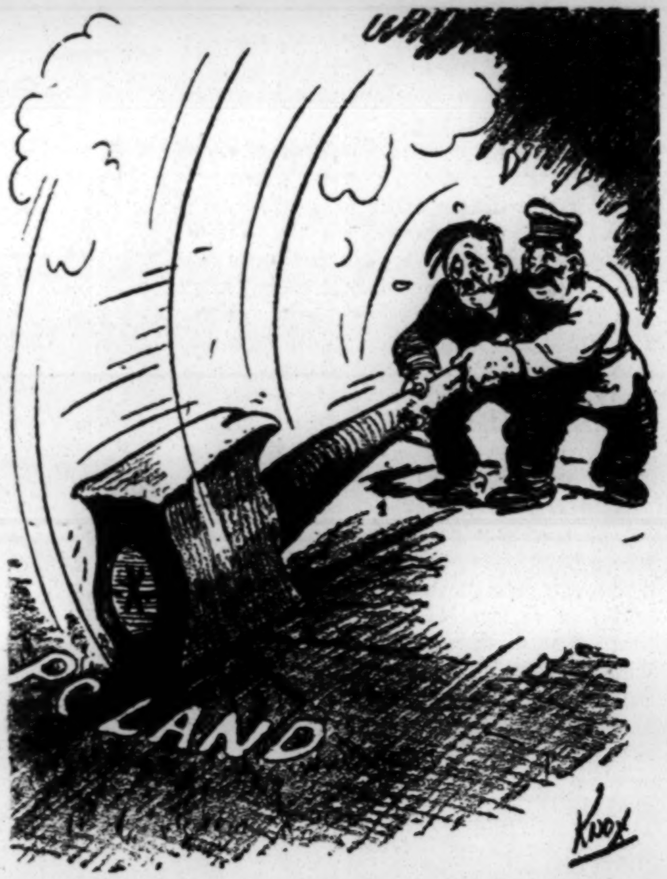
NEGOTIATIONS for a settlement of outstanding issues between Japan and the Soviet Union, which may possibly be the prelude to a political agreement between the two countries, are moving forward with a speed which stands out in sharp contrast to the tardiness which is evident in the still very sketchy moves by Japan to improve her relations with the United States and Great Britain.

The official Soviet agency, *Tass,* in a dispatch from Moscow on Nov. 20, declared that the Soviet Union and Japan have reached a "common viewpoint" on the fundamental principles of a Russo-Japanese trade agreement. It was also stated that agreement has been reached on the composition of a Commission to demarcate finally the border between Outer Mongolia and Manchukuo. The same day, M. Constantin Smetanin, the new Soviet Ambassador to Tokyo, presented his credentials to the Japanese Emperor. The presence of a plenipotentiary Soviet representative in the Japanese capital will no doubt accelerate negotiations between the two countries.

The Stalin Government, it is now evident, is bent on securing a definitive agreement with Japan, no matter what the cost to China. The Communist Party of China, as a branch of the Soviet Foreign Office, has doubtless received the appropriate instructions, and judging by a *United Press* report from Chungking on Nov. 18, has already gone into action. The report quoted the *Hsin Hwa Jih Pao,* Communist daily, as urging the United States to adopt further measures against Japan in order to prevent Japan from establishing her supremacy in the Far East. This diplomacy is by now quite transparent. Moscow opens negotiations with Japan, but at the same time orders its yes-men abroad to attack that country in order to make an agreement with Moscow seem all the more necessary and desirable. The Communists in Europe kept up a steady barrage of abuse against Hitler right up to the moment the Hitler-Stalin pact was signed. If there were a Communist Party in Japan—which there isn't—it would be busy attacking American "imperialism" and thus aiding the Tokyo government to make a deal with Moscow.

Stalin's desire to come to terms with Japan seems to be ardently shared by Dai Nippon. A flood of reports on the subject has been coming out of Tokyo. Similar propagandist effort is noticeable in the local Japanese press. The Tokyo *Hochi Shimbun* on Nov. 17 noted with satisfaction an interview between M. Smetanin and Admiral Nomura, Japanese Foreign Minister, which, the paper declared, was of "special significance." Great Britain and the United States, the journal also said, were attempting to block a Soviet-Japanese rapprochement. The *Chugai Shogyo* declared that the "turn for the better" in Soviet-Japanese relations was a matter for congratulation, while the *Miyako Shimbun* said it "expected much" from the Nomura-Smetanin conversations.

Burying the Hatchet—In Poland



Memphis Commercial Appeal

Will China be the next victim — with Stalin and the Mikado wielding the hatchet?

The Shanghai *Tairiku Shimpo,* local Japanese Army organ, last Sunday expressed the view that readjustment of Soviet-Japanese relations was possible up to a certain point and urged Japan to take action in this direction "for the purpose of hastening the termination of the China hostilities." This paper's view is especially interesting, since it is the fisrt time that a Japanese Army organ has gone on record as favoring a Soviet-Japanese get-together. It is interesting, too, because it links such a get-together with the ending of the China war.

Japan's anxiety to arrive at an agreement with Moscow was also voiced in Shanghai by Mr. Y. Suma, spokesman of the Tokyo Foreign Office, in an interview late last week. Coming here on a short tour of inspection, Mr. Suma told foreign correspondents that Japan was at present "doing her utmost" to settle all pending problems between the Soviet Union and his country. Another Foreign Office spokesman, in Tokyo, according to *Domei,* declared on Nov. 15 that pending questions between the two countries would be tackled separately, one by one. The Moscow report quoted at the beginning of this article, however, shows that negotiations for a trade agreement are to proceed simultaneously with discussions regarding border demarcation, Japanese fishing rights in Soviet waters, and Japanese concessions in Soviet Sakhalin.

Who will make the greatest concessions to whom remains to be seen. Each side has given hints that it intends to sell its favors as dearly as possible. On Nov. 18 Moscow demonstratively decorated the Red Banner troops which fought Japanese and Manchukuo forces in the Nomonhan area last summer, awarding them the Order of Lenin, highest honor in the gift of the Soviet Government. In making the award, the Supreme Soviet incidentally awarded a gold medal to Jacob Shousskevich, vice-chief of the Soviet Air Force, and commander of Soviet air units in the Nomonhan region, citing his force for having allegedly shot down 700 Japanese planes in the border fighting.

Kojiro Inoje, new Japanese minister to Belgrade, matched this piece of propaganda the following day, according to a *Transocean* report from the Yugoslavian capital which quoted the envoy as saying, in a press interview, that the Anti-Comintern Pact still exists. One must not forget, he reportedly said, to draw a line between Russia as a State and the Comintern as an organ of revolution. Germany had concluded an agreement with Soviet Russia as a State, and this did not weaken the importance of the Anti-Comintern Pact.

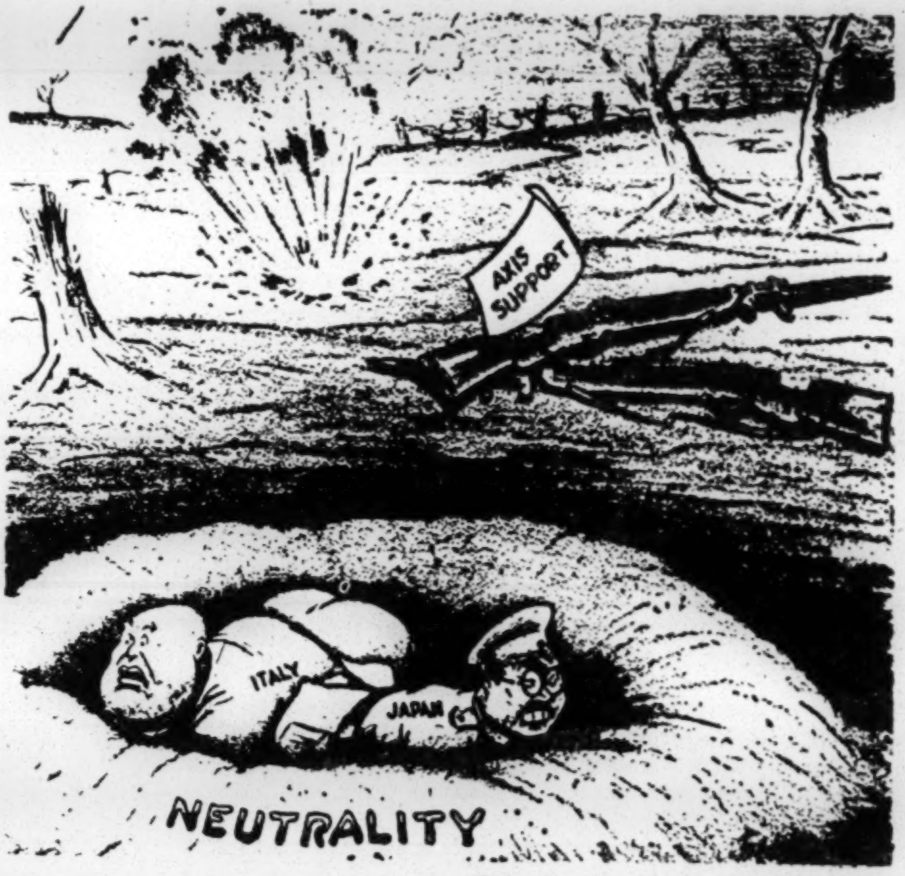
There was a time when Japan and all other bourgeois states refused to draw any line between the Comintern and the Soviet Government, holding that the distinction was a fiction. Times have changed. It has now become expedient to treat this fiction as a reality. Not that it matters much one way or the other, for the Comintern as a revolutionary organization died long ago.

From the Tokyo Foreign Office on Nov. 17 came a denial that the good offices of Nazi Germany were being employed to bring about a rapprochement between Japan and the Soviet Union. It should not be forgotten, however, that right after the conclusion of the Hitler-Stalin pact Nazi officials, including Foreign Minister Von Ribbentrop, expressed the hope that Japan and the Soviet Union would improve their mutual relations. Secret diplomacy prevents us from knowing positively whether or not Nazi Germany is in any way a party to the Soviet-Japanese parleys, but there is every reason to suspect that Berlin is by no means a passive onlooker. The advantages to Germany of a Soviet-Japanese agreement would be enormous. For one thing, it would force the United States to devote more attention to the Far East and thus minimize the possibility of active American intervention on the side of the Allies in Europe. Secondly, it would facilitate the tapping of Far Eastern sources of food and raw materials via the Trans-Siberian Railway. Thirdly, it would make the Soviet Union a stronger ally in Europe. These are the more obvious aspects of the matter.

It certainly looks as if Moscow is leaving Britain and France—and the United States—far behind in the race for Dai Nippon's fair hand. Yet the *New York Post* saw fit to warn on Nov. 16 that the Allied Powers were actively "wooing Japan." The paper recalled that Britain and France had failed to support the United States in her firm stand against the Japanese conquest of Manchuria in 1931, and interpreted the decision to withdraw British and French garrisons from China as significant of an intention to make far-reaching concessions to the Island Empire.

This brought a retort from the liberal *Manchester Guardian* on Nov. 18. Britain's policy in China had never changed as regards essential issues since the Sino-Japanese hostilities commenced, the paper asserted, explaining the withdrawal of British gunboats from the Yangtsze and British troops from North China as due to the exigencies of the European war and therefore irrelevant to Britain's general policy.

Japan and Italy are Neutral in "This" War



Elderman in the Washington Post

The cartoon was labelled originally, "They Seek a Better 'Ole."

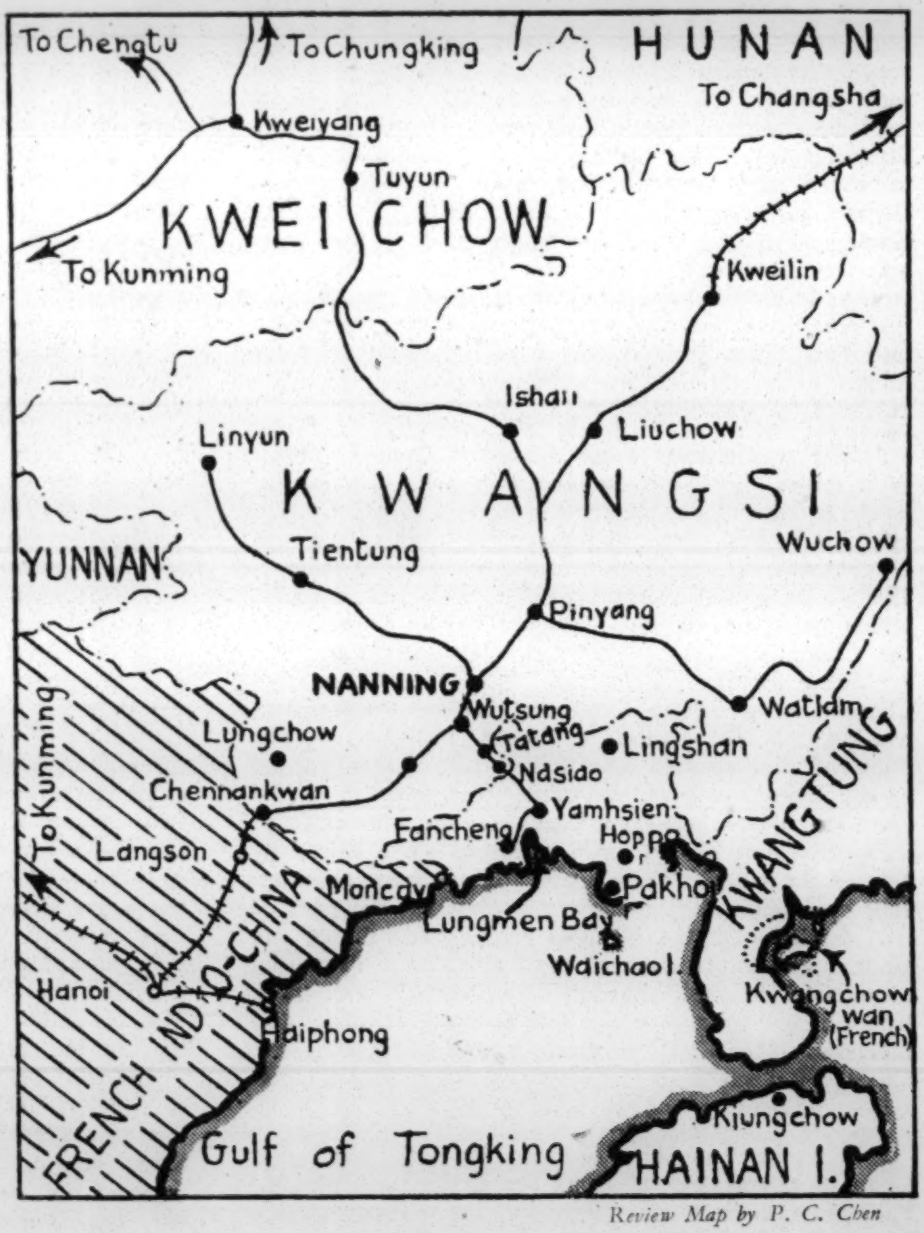
Decision of the Washington administration to dispatch six more submarines to the Far East and the forthcoming conference in Manila between Clarence E. Gauss, U.S. Consul-General at Shanghai, Admiral Thomas C. Hart, Commander-in-chief of the U.S. Asiatic Fleet, and Francis B. Sayre, Philippine High Commissioner, are interpreted in Washington as signs that a showdown between the United States and Japan on the latter's policy in China is imminent, according to an *International News Service* dispatch on Nov. 20. Pointing out that the American-Japanese Treaty of Commerce and Navigation expires on January 26, the dispatch said that this would be the date when "a decisive turn in the Oriental diplomatic struggle may be expected" and predicted that it would mark the opening of an economic war between the U.S.A. and Japan.

Japanese Military Operations in Pakhoi Region Have Severance of Indo-China Supply Route as Goal

BY JOHN AHLERS

THE first *Domei* reports of the Japanese landing on the Gulf of Tongking in Kwangtung Province modestly described the objective of this operation as merely the seizure of Pakhoi and the closure to Free China's foreign trade of this formerly important harbor. A little later, when the Nipponese struck inland from the Yamchow region, half way between Pakhoi and the Indo-China border, the Japanese hinted that they were going to harass Kwangsi Province from the South. The strength of the Japanese forces which suddenly descended upon southwestern Kwangtung, the scale and forcefulness of their inland operations, as well as the communications situation, however, tend to suggest that the Nipponese pursue more far-reaching aims than they choose to admit. They appear to be attempting to strike against the Chinese a blow equal in importance to the occupation of Canton, and to cut off one of the major lines of communications connecting Free China with the outside world. Their real objective appears to be the interruption, and if possible the occupation, of the Lungchow-Nanning highway.

Newest Scene of Japanese Military Activity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HAINAN I.

Review Map by P. C. Chen

For several months early this year, Pakhoi was the most important export port of Free China. Pakhoi shipped to Hongkong more metals and produce than any other harbor on the South China coast, while imports via Pakhoi were substantial. Later, however, when the threat from the Japanese on Waichow Island increased, the Chinese authorities largely diverted the trade of Pakhoi to other ports, notably Fort Bayard in the French Leased Territory of Kwangchowwan. Moreover, they evacuated part of the population of Pakhoi and destroyed some of the harbor facilities and equipment, as well as most of the roads leading inland. In September, 1935 the shipping traffic of Pakhoi had decreased to six vessles totalling 11,249 tons, and Pakhoi's foreign commerce was reduced to $836,530 worth of exports and G.U.67,685 worth of imports. In the foreign trade of Free China, Pakhoi in September accounted for only 10 per cent of exports and 1.5 per cent of imports. War material imports via Pakhoi of late have been stopped completely.

If the Japanese wanted primarily to close the last ports of Free China, they would strike against Luichow and Lappa, or seize Foochow, all three of which ports account for more Free China foreign trade than Pakhoi. That trade, as registered with the Maritime Customs, i.e., not including war materials, in September, 1939 totalled G.U.4,200,000 for imports and $8,500,000 for exports. It was distributed among Free China's most important Customs stations as follows:

	September 1939	
	Imports in G.U.	Exports in $
Lappa	762,859	2,843,308
Lungchow	577,074	2,570,670
Luichow	564,708	2,067,601
Foochow	907,195	63,179
Mengtsz	579,097	38,402
Pakhoi	69,685	836,530

These six Customs stations turn over 99 per cent of exports and 95 per cent of imports of the Chungking-controlled territories. Besides, both Lungchow and Mengtsz have a large import traffic in war materials and other military equipment which make these two cities, together with this traffic in peace-time goods, the most important centers of foreign trade on the Free China borders. Mengtsz is well-known to a wider public as the Customs station on the Haiphong-Kunming Railway. The transport capacity of this railway, some 3,000 tons monthly two years ago, has been increased by the French consortium to over 20,000 tons monthly at the present time, and is scheduled to reach some 30,000 tons by next Chinese New Year. The French Railway is one of the two major overland trade highways which today lead into Free China from the south, and might carry still larger freights than it actually does, if the Chinese would overcome their difficulties of taking prompt and full delivery of all the freight brought by the railroad up to Yunnan.

Lungchow, to the public, is less well-known than Mengtsz. The general assumption appears to be that, besides the French Railway to Kunming, the Yunnan-Burma Road is the other highway of Free China's southern overland trade. This is a misconception. That other highway is the Haiphong-Lungchow-Nanning route, as compared with whose traffic the carrying trade on the Yunnan-Burma Road is practically insignificant. Lungchow is reached from Haiphong not only via Langson, northwestern terminus of the French Indo-China state railways, but also by a first-class modern motor road directly from Hanoi, built during the present Sino-Japanese war. The continuation of this road, much improved and well-equipped, leads from Lungchow slightly northwestward into the interior of southern Kwangsi Province directly to Nanning, until three years ago that province's capital city. It was by means of large-scale motor traffic along this road that, throughout this year, never less and frequently more imports poured into Free China than via the French Railway to Kunming. Only, the Chinese preferred not to give much publicity to this route.

The importance of the Lungchow-Nanning route as a major line of communications with the outside world in case of an interruption or loss of the Canton-Hankow Railway, was obvious to the Chinese National Government as early as two years ago. Back in January, 1938 the National Government and the French consortium, which prior to the war had undertaken to construct the Chungking-Chengtu railroad, concluded a contract providing for the construction, instead of Chungking-Chengtu, of a railway connecting Nanning with Chen-nan-kuan, border station of French Indo-China. The track of this railroad was staked out almost parallel to the Lungchow-Nanning route. Construction of the line ought to have been completed a year ago, but numerous difficulties, not always of a technical sort, repeatedly delayed the work. There seems to have been considerable opposition to the railway project on the part of the population of the Nanning region and only of late months was construction of the line speeded up and its completion definitely scheduled for January next. The establishment of a railroad link between Nanning and Luichow, provisional southern terminus of the new Kwangsi Railway from Hengyang via Kweilin, is planned for summer-autumn of the coming year.

It is the Lungchow-Nanning highway which the Japanese are aiming at from the Gulf of Tongking. They want to interrupt this major line of Free China's foreign communications, and to do so in time to prevent the materialization of railway through-traffic between Haiphong and Hengyang across Kwangsi Province. The point where the French Railway to Kunning crosses into Yunnan Province, is over 300 miles from the coast and well out of the reach of the Japanese land forces in the Tongking Gulf. The Lungchow-Nanning highway, however, runs only some 100 miles distant from the coast and can hardly be defended effectively, once the Japanese manage to penetrate the mountain barrier between Kwangtung and Kwangsi and to descend upon the Yu Kiang Valley. Nanning itself, as the crow flies, is only 70 miles from Japanese-occupied Yamchow.

From the point of view of Free China's economy as a whole, the Pakhoi-Yamchow and the Lungchow-Nanning regions are of little consequence except for the through-traffic in the latter region. Only a small portion of this traffic is connected with Kwangsi's economy. The imports of war materials via Lungchow were divided between the Kwangsi and the Central Government armies, but almost all of the Lungchow importations of other goods went via Luichow, Kweilin and Kweiyang to Szechwan Province. Kwangsi is essentially a poor province, with very limited economic resources and possibilities. Agriculture and animal husbandry, although dominating, are of a poor type and carried on by very primitive means and methods. There is a little unimportant agricultural and manufacturing industry in Wuchow, on the West River, and in Nanning, as well as a little mining of wolfram ore. Kwangsi trade and banking both are old-style and highly inefficient. What little private initiative toward economic westernization and modernization there was of late years, seems to have been, though unintentionally, enchained by the semi-totalitarianism of the Kwangsi dictators, Generals Li Tsung-jen and Pai Chung-hsi, in whose eyes the function of economy appears to be primarily the support of a large military machine. This regime prevented the accumulation on any appreciable scale of finance capital in Kwangsi Province, and while Kwangsi money was always made available plentifully for military purposes, there were almost no funds for new business investments of any sort.

The dearth of capital in Kwangsi smoothed the way for the Chinese National Government in its efforts to gradually break down the isolation and autonomy of the province. Soon after the outbreak of the present Sino-Japanese war, the National Government started upon the economic penetration of Kwangsi by means of credits and other financial assistance. The four Chinese Government banks subscribed a $17,000,000 Kwangsi provincial loan and with the proceeds provided coverage for the Kwangsi provincial note issue. The circulation of Chinese national currency gradually spread throughout Kwangsi where today it is generally accepted at the official rate of one dollar national currency for two dollars Kwangsi money. The government banks also assisted in the flotation of two other Kwangsi loans of $15,000,000 each, and established branch offices in the larger Kwangsi cities. To the construction of the new railways in Kwangsi, the province contributed only unskilled labor, while the National Government provided the funds, rails, rolling stock and engineers. The National Government also financed the construction of the Lungchow-Nanning and Wuchow-Hsintu highways. The Central Farm Bureau granted to Kwangsi farmers $5,000,000 in rural loans, and also appropriated this year $2,000,000 for irrigation projects in the West River region. Of a few industrial projects recently financed by the National Government in Kwangsi, the construction of a large modern sugar refinery at an undisclosed place is the most outstanding.

Yet economically Kwangsi continues to be a backward province, much less touched by the new economic development in Free China than, for instance, Szechwan. The military strength of the province opens for the Japanese prospects of heavy fighting, while Kwangsi's comparative poverty allows but small prospects for booty of any consequence. In these circumstances, the Japanese are likely to be satisfied with the seizure or interruption of the Lungchow-Nanning highway, if, indeed, they will be able to achieve this objective.

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Japanese Liner Blown Up off Coast of England as War on Shipping in North Sea is Intensified

MAJOR tragedies of the sea, attended by considerable loss of life, have been the outstanding feature of the European war during the past week while "All Quiet" continued to describe the situation on the Western Front. On Tuesday of this week, Japan, one of the neutral powers, suffered her first major loss when the 11,930-ton N.Y.K. liner *Terukuni Maru* was blown up and sank a few miles off the English coast near Harwich. In this instance there was no loss of life. The vessel had on board 25 passengers, of whom one was British, and a crew of 180. Since the vessel met her doom in a mine-infested area where several other ships had lately blown up, it is probable that a mine was the cause of the disaster.

The *Simon Bolivar*, a Netherlands liner, struck two mines late last week while crossing the North Sea to England. The 8,300-ton ship sank within a few minutes and according to latest reports at least 135 persons, including the captain of the vessel, lost their lives. Survivors, including many injured, are now in London hospitals.

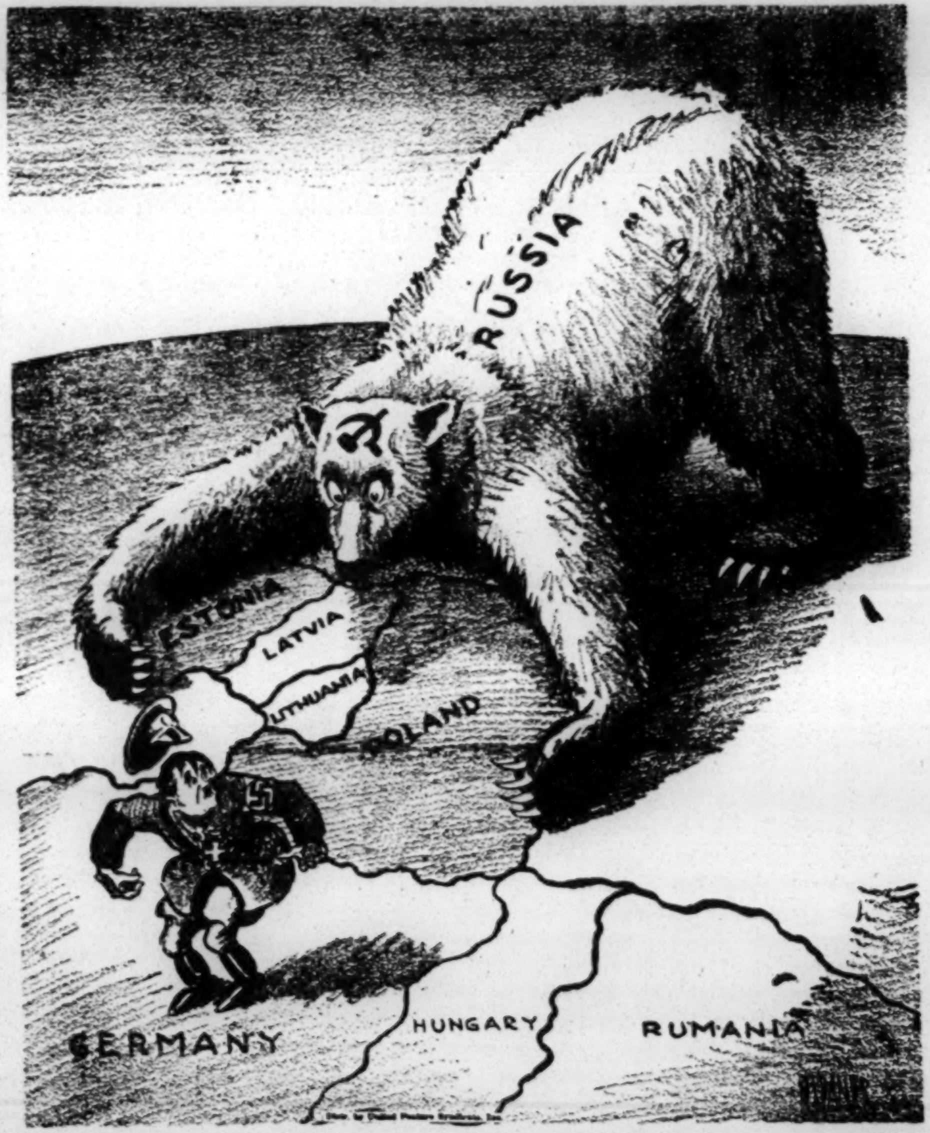
Over last week-end a total of 11 ships either struck mines or were torpedoed in the North Sea, carrying scores of innocent people to a watery grave. Although there is a strong likelihood that at least some of the ill-fated vessels were victims of mines laid by the Allies —especially since strong gales were believed to have torn a number of these hellish contraptions from their moorings, causing them to drift from the charted minefields—the British press and propaganda machine attributes all the blame to Germany, who is charged with laying mines indiscriminately in fulfillment of a threat to conduct unrestricted warfare against shipping carrying supplies to the Allies.

Rabid "atrocity" propaganda has become the order of the day to bring back memories of the war of 1914-18. Thus the London *Daily Herald*, on Tuesday of this week, headlined a story on the shipping disasters: "Germany's First Crime Against Neutral Ships. U-boat Laid Mines that Sank Dutch Liner." The *Daily Express* went one better: "Mined Liner Crime. Many Babies Drowned," and in a front-page editorial said: "Humanity owes nothing to German leaders who sink ships bearing infants in arms and little children. When Germany is defeated, this villain should be destroyed." Said the *Daily Mirror*: "Babies are Nothing to Him!"—referring to Chancellor Adolf Hitler.

The notion that war can be conducted humanely is one of the queerest creations of the human mind. War and "atrocity" go hand in hand. People who are really humane, and who are not blinded by national hates and prejudices, see little difference between blowing to smithereens a man who happens to be in uniform and the drowning of a non-combatant who is travelling on the sea. But to the perverted mentality that war engenders the thought of killing a thrice-innocent infant appears as an enormity, while the mass slaughter of soldiers at the front, or naval men on the sea, is taken for granted.

Through the recent tragedies of the sea, mankind is beginning to get a taste of real totalitarian war. War specialists have said for years that none would be safe from its horrors and they were right. This madness is upon the world now, and unless it is halted it will sweep everyone within its expanding orbit. If, indeed, the recent sinking of ships in the North Sea is the making good of a German threat, we shall not have to wait long before the Allies reply in kind, and the thought of German babies—already suffering from the Allied blockade—will be no deterrent.

A New Encirclement Movement



The "quiet" in the war on the Western Front has been matched during the past week by the lack of spectacular happenings in the diplomatic sector. Relations between Finland and Soviet Russia, arising from the Finnish rejection of Soviet demands, continue to be strained, but as yet Moscow has attempted no hostile moves against the Scandinavian state. Allegations in

Moscow that Finland had stiffened in her attitude toward Soviet Russia as a result of obtaining promises of economic and financial aid from the United States, were denied by President Roosevelt at a press conference in Washington on Nov. 17. No such help had been promised, the President declared.

On the alleged ground that such aid had been promised, the Soviet press engaged in tirades against the United States last week. Professor Bach, writing in the Soviet trade union organ, *United Press* reported, denounced President Roosevelt's intervention in the Soviet-Finnish negotiations and told the United States to "mind its own business." According to the writer, "Roosevelt's unexpected and groundless concern over Finland astonished Soviet public opinion. Finland is not being threatened by the Soviet Union, but by her own leaders."

Professor Bach, a distinguished Soviet biologist and a member of the Soviet "parliament," indicated that Moscow has by no means abandoned its territorial "claims" on Finland. Wrote he: "The Finnish reactionaries who are acting for the war-mongers have placed Finland on a war basis and brought a lower standard of living to the Finnish masses. The Soviet proposals to Finland were reasonable and final. What we require from Finland is vitally necessary for us. I am convinced that the Soviet Government will get the territory necessary for the defense of our great industrial center (Leningrad) against any 'accident.' "

There was a time when Moscow castigated Japan for pleading self-defense in her war on China and for claiming that what she was seeking in China was "vitally necessary" for her existence. Stalin's press never tired of repeating that these were mere pretexts for a piratical imperialistic policy, as undoubtedly they were. The yardstick once applied by Moscow to Japan can now be applied to the Soviet Union with equal justification.

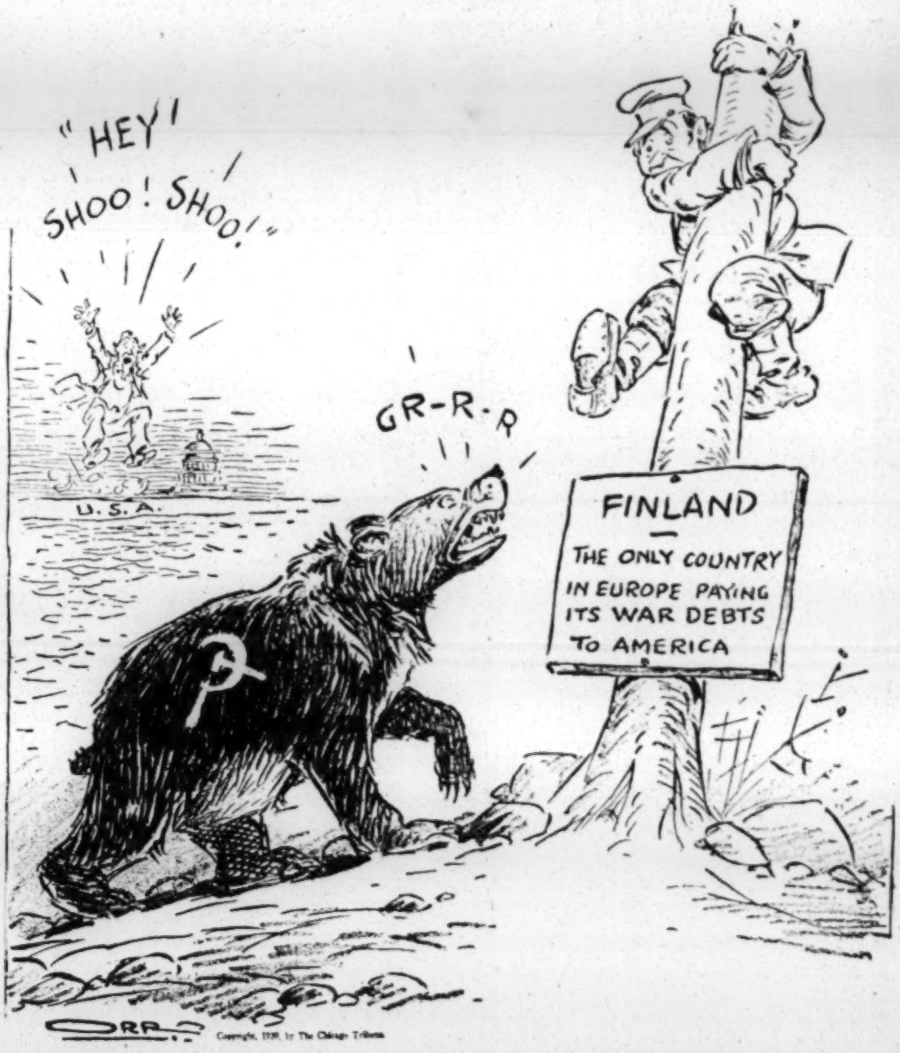
Mr. Sumner Welles, Assistant Secretary of State, announced in Washington on Nov. 18 that the U.S. Government will shortly engage in a series of "political conversations" with Soviet Russia. The talks, he said, would take place in Washington between officials of the State Department and M. Constantin Umansky, the Soviet Ambassador. Mr. Welles declined to reveal the topics to be discussed, but it may be presumed that the Soviet demands on Finland—the one country which pays its World War debt to the United States—will be one of them.

Soviet intentions in the Far East in the light of current moves toward a Soviet-Japanese rapprochement, is likely to be another of the subjects set down for discussion. The talks were scheduled to get under way this week.

Outbreaks against German rule occurred late last week in Prague, capital of former Czechoslovakia. The German authorities had to cope with large-scale anti-Nazi demonstrations in which students were apparently the leading spirits. After putting down the demonstrations with force, the Nazis set up courts martial and it was later announced that nine Czech students had been sentenced to death and executed. At the same time, the authorities of the Protectorate issued a decree closing all Czech universities for a period of three yers.

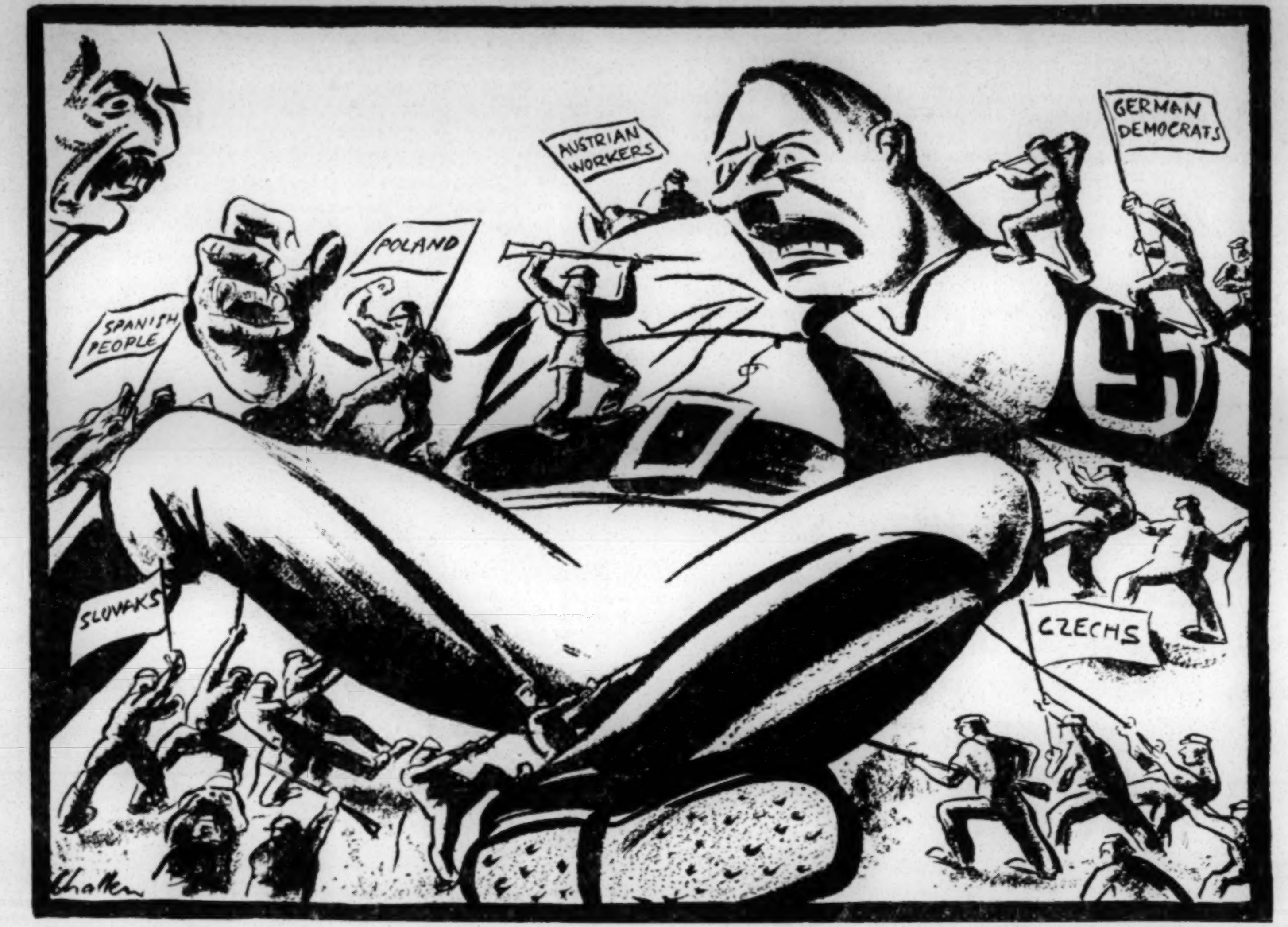
Indicating that anti-war sentiment is rising in England, press reports from London published in Rome said that anti-war demonstrations had occurred in various parts of England on Armistice Day, Nov. 11. At the Cenotaph in Whitehall, when an aide-de-camp of King George deposited the traditional wreath, a woman reportedly shouted in a loud voice: "You hypocrites —only 20 years have passed and . . " Before she could complete the sentence, police hustled her away.

Russia to Cancel the Last War Debt?


"HEY!
SHOO! SHOO!"
U. S. A.
GR-R-R
FINLAND — THE ONLY COUNTRY IN EUROPE PAYING ITS WAR DEBTS TO AMERICA
ORR
Copyright, 1939, by The Chicago Tribune

The Chicago Tribune

Democracy seems to have been completely "blacked out" in France, birthplace of democratic ideals. A Paris report published in Brussels on Nov. 10 said that two workmen in a Paris airplane factory had each been sentenced to two years' imprisonment and a fine of 1,000 francs for "defeatist remarks"—meaning opposition to the war. At the same time, a veritable manhunt is on against leaders and rank-and-file members of the Communist Party. A report in the Lyons newspaper *Progress* on Nov. 21 said that President Lebrun has signed a new decree providing for further measures against the Communists, and that the decree provided that avowal of adherence to the principles of Communism would constitute high treason and be punishable by military courts. The rulers of Japan, with their persecution of those harboring "dangerous thoughts," and Nazi Germany, Fascist Italy and Stalinist Russia with their brutal intolerance of all oppositionist ideas, seem to have nothing on La Belle France at war.



The Tribune, London

Mission Spokesman Takes Issue With Nippon Embassy Statement

The damage done to American mission enterprises in China by the activity of Japanese armed forces was the subject of a statement in New York last week by Dr. J. W. Decker, foreign secretary of the American Baptist Foreign Mission Society in Japan, China and the Philippines, who declared, according to *United Press*, that the recent announcement by the Japanese Embassy in Washington of a settlement of American claims against Japan in China did not give a true picture of the treatment accorded American interests in Shanghai.

"The Japanese announcement," Dr. Decker said," omits to mention that the University of Shanghai was thoroughly and systematically looted by the Japanese military and that apparatus of great value disappeared. Several office safes weighing thousands of pounds, each with their contents, disappeared. There has been no compensation even suggested by the Japanese".

The Japanese announcement to which Dr. Decker referred, reported decisions to pay indemnity for damages caused by the bombing of a Lutheran mission, to grant permission for the reopening of Poplar Grove Farms at Shanghai, compensation to the Church of the United Brethren at Suilam, Kwangtung, for shell damage caused during a naval bombardment, and cash compensation for the seizure of an American-owned junk at Shameen, Canton. It was also stated that damages to American mission properties in other parts of China would be speedily investigated and settled.

An echo of the shooting incident at Yaolu, near Hsuchow in Kiangsu Province on Oct. 27, when Brother Edgar Gauvin, Canadian Jesuit missionary, was fatally wounded by a Japanese sentry, was heard in Shanghai on Friday of last week when a Japanese Army spokesman said that the British Consul at Nanking, Mr. John Alexander, had called on the Japanese commander at Hsuchow on Nov. 16. "to express appreciation of the measures taken by the Japanese Army after the wounding of Brother Gauvin and Brother Fontaine (who is recovering from his wound)." The Japanese authorities, he said, regarded the case as "amicably settled" although they felt sorry over the death of Brother Gauvin.

Details of the damage done to the St. Luke's Hospital, a British missionary institution, in a Japanese air raid over Putien, Fukien province, on Nov. 3, were reported in Shanghai early this week. Eight Chinese were killed and three slightly wounded. Four big wards and six private wards were destroyed with all equipment. The X-ray room, the hospital laboratory and the central store room for drugs were ruined. The roof of the hospital and the roofs of several adjoining buildings were badly damaged, and the foundations shaken loose. At the time of the air raid, the hospital was clearly marked with a Red Cross sign and large British flags, the report said.

Mitsui Cotton Mill Pays Highest Dividend in its History

The Shanghai Cotton Manufacturing Company, Ltd., which operates cotton mills in the Shanghai district which are owned by the well-known Japanese Mitsui interests, has announced the highest dividend in the firm's history. The prosperity of the Company is attributed, in considerable measure, to the fact that practically all competing Chinese mills were bombed out of business or taken over by the Japanese Army, while in addition the firm has enjoyed completed immunity from Chinese taxes or imposts of any character.

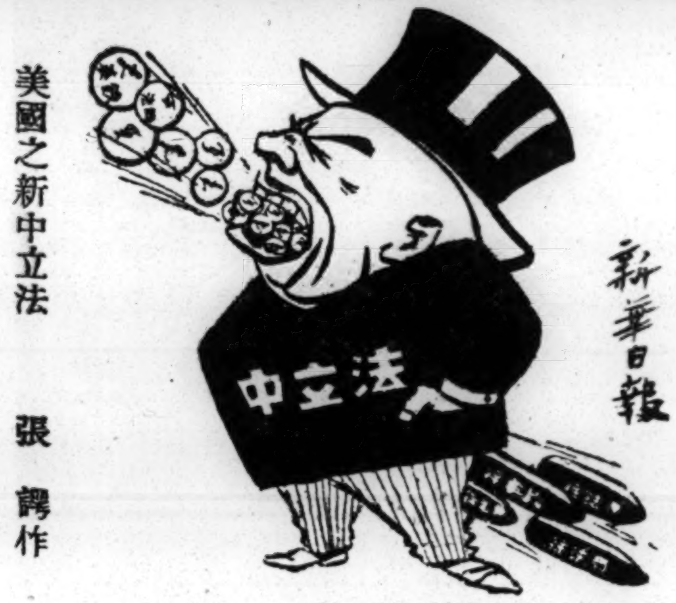
According to the summarized report, the firm managed to earn no less than $2,500,000 more in the half-year from April to October, 1939 than during the preceding half-year term. The balance at credit of profit and loss account of Shanghai Cotton Manufacturing for the half-year under review is $5,613,655.43, as compared with $3,139,106.71 for the previous half-year period. The company's directors proposed to place $2,400,000 into various reserve funds; to allot $100,000 to Employees' Provident Fund; to distribute to shareholders $1,200,000; and to carry forward the remainder of $1,913,655.43. A dividend of five local dollars per share is being proposed, as compared with $2.50 dividend and $1.25 bonus for the previous half-year term.

The Most Important of the "600 Cases" Against Japan

A Japanese general announced a few days ago that a half-dozen "incidents" concerning American losses in China had been settled. One of the cases was Shanghai University, which the army spokesman claimed had been returned to its rightful onwers, the American Baptist Mission. The heads of the mission quickly announced however, that while the buildings and grounds, located in the Yangtszepoo district, had been restored to the proprietors, it was impossible to resume classes on the campus because every building had been looted, completely, even to the removal of locks and hinges of doors, bath tubs and plumbing equipment from private residences and dormitories, all scientific equipment from laboratories, most of the books and manuscripts from the library, motors and mechanical equipment from the power plant and pumping station and even a half dozen heavy iron safes from the college office and business department.

This case and another involving wholesale theft of eggs from American trading firms by Japanese concerns closely affiliated with the Japanese Army inspired an American, formerly engaged in large-scale construction enterprises in North China, to make inquiry regarding the "most important of the 600 cases against Japan" which the U. S. Government has accumulated since the beginning of the Japanese invasion of this country in 1937.

"Neutrality"


美國之新中立法
張諤作
新華日報
中立法

Hsin Hua Jih Pao, Chungking

The capitalistic American figure, labelled "Neutrality Law," is shown swallowing English pounds and French francs while munitions of war are spewing from his pockets. The paper in which it appeared is the Communist organ in Chungking.

The man who made the inquiry wanted to know whether eggs were more important than railways. He questioned the propriety of giving so much publicity to the theft of eggs, while nothing was being said—or done—about the heavy losses of American firms resulting from Japan's seizure of the Chinese Government Railways. He pointed out that American engineering firms in China and manufacturers of railway equipment in the United States had suffered losses exceeding U. S.$10,000,000 on one railway alone, the Peiping-Suiyuan line. In this case American firms had sold the railway large quantities of rails, bridges, locomotives, cars, sleepers and shop equipment, extending over a long period of years. In 1935 the National Government at Nanking signed debt agreements covering these obligations, providing for payment on a monthly basis extending over a number of years.

These payments were faithfully made from Jan. 1, 1936 to July, 1937 when the Japanese started their invasion. Since that time no payments have been received by the American firms or manufacturers, although the Peiping-Suiyuan line suffered little damage and has been earning from $500,000 to $1,000,000 surplus above cost of operation every month. Some of the cars and locomotives belonging to the Peiping-Suiyuan line, upon which American firms hold mortgages, have even been used on the Peiping-Mukden line, which the Japanese Army also seized (stole) piecemeal, beginning with the occupation of China's northeastern provinces in 1931.

Not a cent has been paid by the Japanese Army, the Japanese dummy company which operates the railway, or the Japanese supported puppet government in Peiping, to any of the American firms holding obligations against the railway. Once the Japanese even sent a representative to interview the American agent of one American company and wanted to purchase more equipment—on credit!

The American engineer who called attention to this situation suggested that since the Japanese Army spokesman was so voluble about the alleged "settlement" of claims, it might be a good idea to call his attention to this situation affecting the Chinese Government railways, which amounts to outright confiscation of property upon which American concerns held perfectly legal claims.

There is no intention here to minimize losses suffered by dealers in eggs, or losses suffered by the trustees and professors of American mission universities, hospitals or churches, as compared with losses running to large sums suffered by the sellers of railway equipment. Another case might be mentioned in this connection—the heavy losses suffered by Pan-American Airways as a result of the Japanese Army's action in bombing and destroying Chinese civilian airfields and airdromes and the forcing of China National Aviation Corporation, containing a heavy investment of American capital, to discontinue its service on numerous airlines extending along the coast from Peiping to Canton and from Shanghai to Hankow and beyond. The amount of capital which Pan-American had invested in the Sino-American concern is not known but must have been considerable. The Japanese Army is even operating planes on some of these Pan-American-C. N. A. C. lines in North and Central China, and there was a report a few days ago alleging that the Japanese were negotiating with a British aviation concern to extend its Indian service from Hongkong to Shanghai. This apparently was one of the baits held out by the Japanese military authorities to the British for recognition of Japanese-fostered puppet governments in Canton and Nanking.

While the State Department is watching the situation and is not permitting the Japanese to forget about the "600 cases," it also would be well for American organizations, particularly the Chambers of Commerce, to watch what is going on. Special attention should be given to statements by Japanese Army spokesmen alleging that claims are being "settled," when nothing, or practically nothing, has been done or is being done.

The only important claim which has been paid was that covering the loss of the U.S.S. Panay—and the acceptance of a monetary settlement for the loss of this gunboat reflected little moral credit on the American Government. The United States would have been in a much stronger moral position had it refused to accept a monetary settlement for the loss of an American warship which was deliberately bombed and sunk, with loss of American and other lives, by hostile Japanese warplanes.

American Community in S'hai Observes Thanksgiving Day

The American community in Shanghai observed Thanksgiving Day on Thursday, Nov. 23 with a special service in Holy Trinity Cathedral from 11 a.m. to noon at which a collection was taken up on behalf of the American Civilian Relief Fund. Judge Milton J. Helmick presided, and Mr. Frank P. Lockhart, Acting American Consul-General, read the Thanksgiving Proclamation issued by President Roosevelt, the text of which was as follows:

"I, Franklin D. Roosevelt, President of the United States of America, do hereby designate Thursday the 23rd of November, 1939 as a day of general thanksgiving.

"More than three centuries ago at the season of the gathering in of the harvest, the pilgrims humbly paused in their work and gave thanks to God for the preservation of their community and for the abundant yield of the soil. A century and a half later, after the new nation had been formed and the Charter of Government, the Constitution of the Republic, had received the assent of the States, President Washington and his successors invited the people of the nation to lay down their tasks one day in the year and give thanks for the blessings that had been granted them by divine providence. It is fitting that we should continue this hallowed custom and select a day in 1939 to be dedicated to reverent thoughts of thanksgiving.

"Our nation has gone steadily forward in the application of democratic processes to economic and social problems. We have faced the specters of business depression, of unemployment, and of widespread agricultural distress, and our positive efforts to alleviate these conditions have met with heartening results. We have also been permitted to see the fruition of measures which we have undertaken in the realms of health, social welfare, and the conservation of resources. As a nation we are deeply grateful that in a world of turmoil we are at peace with all countries, and we especially rejoice in the strengthened bonds of our friendship with the other peoples of the Western Hemisphere.

"Let us, on the day set aside for this purpose, give thanks to the Ruler of the Universe for the strength which he has vouchsafed us to carry on our daily labors, and for the hope that lives within us of the coming of a day when peace and the productive activities of peace shall reign on every continent.

"In witness whereof I have hereunto set my hand and caused the seal of the United States of America to be affixed.

"Done at the city of Washington this thirty-first day of October in the year of our Lord nineteen hundred and thirty nine and of the independence of the United States of America the one hundred and sixty-fourth."

American Officials Gather for Conference on U.S.S. Augusta

AN event which in ordinary circumstances would have aroused no special interest, but which in view of the steady worsening of relations between Japan and the United States was vested with some significance, was a gathering on Monday night of this week aboard the U.S.S. Augusta, flagship of the U.S. Asiatic Fleet, while the vessel was anchored in the Whangpoo River just prior to her departure for Manila.

Present at the conference, to which local diplomatic circles attached considerable importance, were Mr. Nelson T. Johnson, American Ambassador to China, Admiral Thomas C. Hart, Commander-in-chief of the U. S. Asiatic Fleet, Mr. Clarence E. Gauss American Consul-General at Shanghai, and Mr. Frank P. Lockhart, who is now Acting American Consul-General here.

Acting Consul-General

Frank P. Lockhart

U.S.Consul-General

Clarence E. Gauss

Ambassador Johnson had just arrived here after a visit to Chungking. The s.s. President Coolidge brought him here from Hongkong, and when the vessel entered the Whangpoo the envoy slipped quietly aboard Admiral Hart's black-hulled barge and was taken to the U.S.S. Augusta. The conference then got under way, lasting from 9.30 p.m. until 2 a.m. the next morning. At daylight the Augusta weighed anchor for Manila, with Consul-General and Mrs. Clarence E. Gauss aboard. Ambassador Johnson departed by ship the next day for Peiping, where he plans to spend Christmas with his family. Mr. Gauss, who has gone to Manila on holiday, will, it is understood, confer there with Mr. Francis B. Sayre, Philippine High Commissioner.

American Ambassador

Nelson T. Johnson

No hint has been dropped as to the subjects discussed aboard the Augusta last Monday night, but a guess that Japan's warring on American interests in this part of the world was the main topic would probably not be far wide of the mark. The attitude of American officials toward the new Wang Ching-wei government, which is expected to take shape in the near future, was also probably discussed.

At his press conference in Washington on Nov. 20, Mr. Sumner Welles, Assistant Secretary of State, said that the United States is taking a serious view of continued Japanese interference with American nationals and American trade in Tientsin. Official reports to the State Department, he disclosed, showed that Japanese interference was increasing despite American notes informing Japan that the United States considers that its citizens have every right to carry on trade in China without interference from any source.

Mr. John K. Caldwell, American Consul in Tientsin, Mr. Welles said, informed the State Department on Nov. 13 of the increasing difficulties in transporting goods through the Japanese blockade of the British and French Concessions. Delays ranged from a few hours to more than a day. There were cases in which the Japanese military had forced Americans to dump truckloads of coal and peanuts in the street "for inspection," while sometimes Americans had been compelled to count the number of peanuts in a load, or the pieces of coal. On one occasion an American rug manufacturer complained that he had been forced to spread out a truckload of rugs in the street at a Japanese sentry post, although the manufacturer had obtained an American pass, bearing a Japanese consular visa, authorizing transport of the goods into the British Concession.

Asiatic Fleet Commander

Admiral Thomas C. Hart

There was also great difficulty, Mr. Welles said, in transporting foodstuffs into the British Concession, with the result that Americans living in that area were suffering hardship. At the same time, the coal situation in both the British and French Concessions had become critical, although there were ample stocks of coal in the Japanese areas across the Pei River.

Mr. Welles said nothing about the situation at Shanghai, although Japanese interference with American trade here is equally notorious, the most glaring of recent instances being the "hijacking" of British and American egg cargoes by the Mistui Bussan Kaisha, which acted in this bandit undertaking with the approval, and under the benign protection of, the Japanese military authorities.

What the American officials talked about aboard the U.S.S. Augusta last Monday night can only be guessed. Japan's actions against American interests in China are being talked about in American official circles considerably these days. Unless Japan changes her course and begins manifesting some of the good faith which she always pretends to find lacking in others, this talk will be followed by some sort of action which will not be to Japan's liking. The showdown is not far off now.

U. S. Government Now "Under One Roof" in Shanghai

All offices of the U. S. Government represented in Shanghai —except the Fourth Marines and Maritime Commission—are now located at the same address—the Development Building, 181 Kiangsi Road, in the center of the downtown business section of the International Settlement. The Marines, engaged in guarding an important sector of the Settlement border, have their headquarters at 1607-09 Sinza Road.

The Development Building, previously the property of the Chinese Government, is now owned by a French concern. It is one of the most modern buildings in the city. Recently there have been suggestions that the U. S. Government should take advantage of the present exchange situation and purchase the Development Building as it is quite unlikely that a new building will be constructed on the vacant lot which the government owns in the now Japanese-controlled Hongkew section.

The location of all governmental offices in one building followed a consolidation recommended by the President and approved by Congress on July 1 of this year. Previously the U. S. Department of Commerce and the Department of Agriculture had separate offices, but now all are combined in the American Foreign Service, functioning under the Department of State. It is yet too early to determine how the plan will work out, but it is hoped the consolidation will bring about a greater degree of coordination and efficiency than was possible in the past.

Julean Arnold, Commercial Attache, representative of the Department of Commerce, and Owen Dawson, Agricultural Commissioner, will continue in their work as in the past except that in future they will work as a part of a consolidated governmental unit. The office of the China Trade Act Registrar, directed by Miss A. Viola Smith, has also been moved to the Development Building, and under the new arrangement Miss Smith becomes the senior ranking woman in the American Foreign Service.

The U. S. Treasury representative in China, M. R. Nicholson, also has his offices in the same building, while the U. S. Navy purchasing and Disbursing Offices now occupy the entire eighth floor. The new offices of the Commercial Attache, Agricultural Commissioner and China Trade Act Registrar occupy the third floor while the fourth and fifth floors are occupied by the administrative and executive offices of the U. S. Consulate-General. The sixth floor is occupied by the U. S. Court for China, headed by Judge Milton J. Helmick, and the Treasury Attache. Quarters are also provided in the building for the American Ambassador when he is in Shanghai, and in addition some of the officials occupy apartments on the upper floors.

The American Club, National City Bank of New York and Chase Bank are in the vicinity, as also is the Dollar Building, housing the offices of the U. S. Maritime Commission which operates the ships previously owned and operated by the Robert Dollar Company. The American Chamber of Commerce has its office in the American Club Building. Other American buildings in the district are the Shanghai Power Company and Shanghai Telephone Administration. Aside from the Fourth Marine Headquarters and barracks, the only other community enterprise not located in this section of the city is the American School, which is located in the French Concession. Most of the American missions and mission schools are also located in the Settlement, as also are the offices of most American trading firms and industrial organizations.

Russia Produces Her Millionth Car; Chevrolet Does Better

The backwardness of Soviet Russia's automobile industry despite the immense capital sums poured into it during two Five-Year Plans was illustrated in a *Transocean* report from Moscow last week which said the Soviet press had proudly announced the completion of the first million automobiles produced in the country, the millionth car coming off the conveyor on the 15th anniversary of the founding of the Soviet automobile industry.

A million, especially when it is set down in figures—1,000,000—looks like an impressive figure. It dwindles in impressiveness however, when placed alongside a single year's production schedule of any large automobile plant in the United States, whose population is 125,000,000 as compared with 165,000,000 in the Soviet Union.

For example, General Motors advertised last week that they had just topped the 500,000 mark in sales of 1939 Chevrolet cars alone.

At the beginning of the first Five-Year Plan in 1928, Dictator Stalin set Soviet industry the task of "catching up with and outstripping" the most advanced capitalist country. If the Soviet automobile industry is a fair sample of the rest of industry in Stalinland, the regimented proletariat in that country still has an awful lot of sprinting to do.

Resident of New York's Chinatown Found Drunk

Although drinking among Chinese is becoming more prevalent than previously, it is seldom indeed that one sees a Chinese completely under the influence of alcohol. Foreigners who have resided in China for long periods of years have been heard to state that they had never seen a drunken Chinese. But the record for sobriety was definitely broken early in September—in New York — when one Chang Kong, an elderly laundryman, found himself in disrepute with his neighbors in Chinatown because he was picked up by the police and charged with intoxication. Magistrate Morris Rothenberg, who sent 62-year old Chang Kong to jail for two days in lieu of a $5 fine, stated that a search of the records for more than 100 years had revealed that Chang was the first Chinese to be convicted of drunkenness in Manhattan.

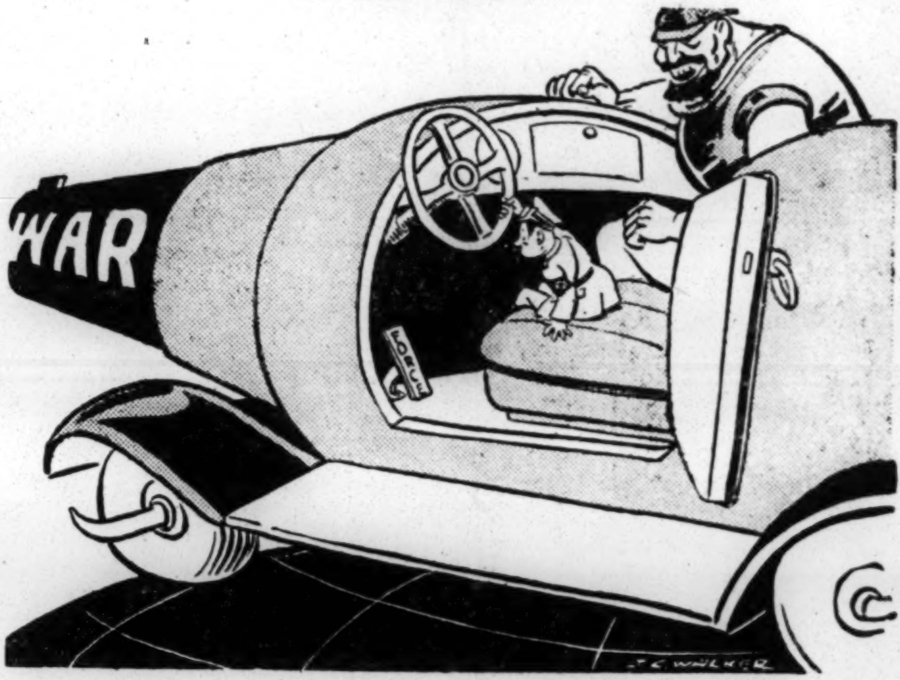
Japanese Buy Edgewater Mansions in Tsingtao

The modern hotel-apartment, Edgewater Mansions, at Tsingtao, built and operated by an American company, has been sold to the North China Railway Company, subsidiary of the Japanese South Manchuria Railway. The price paid was $650,000, Chinese currency, which represented a serious loss as the original cost was $850,000 when constructed three years ago. The building, a modern six-storey structure, was not a financial success due to the war crisis.

1,236 Guerrillas Said Slain in Soochow Area

Japanese garrisons in the Soochow area during the period from Sept. 10 to Oct. 31 killed 1,236 guerrillas and captured 65 in 65 battles with forces aggregating 12,253, according to the Shanghai Mainichi. Japanese forces also captured 171 rifles, one trench mortar, one automatic rifle, one light machine-gun, 26 pistols, 65,471 rounds of ammunition, 284 hand grenades, 12 horses and 10 telephone sets, it was claimed.

Learner's Dilemma



South Wales Echo, Cardiff

Learner: "I see the pedal for starting, but where's the pedal for stopping it?"

Experienced Instructor: "There is none."

White Russians Open Nippon Language Classes

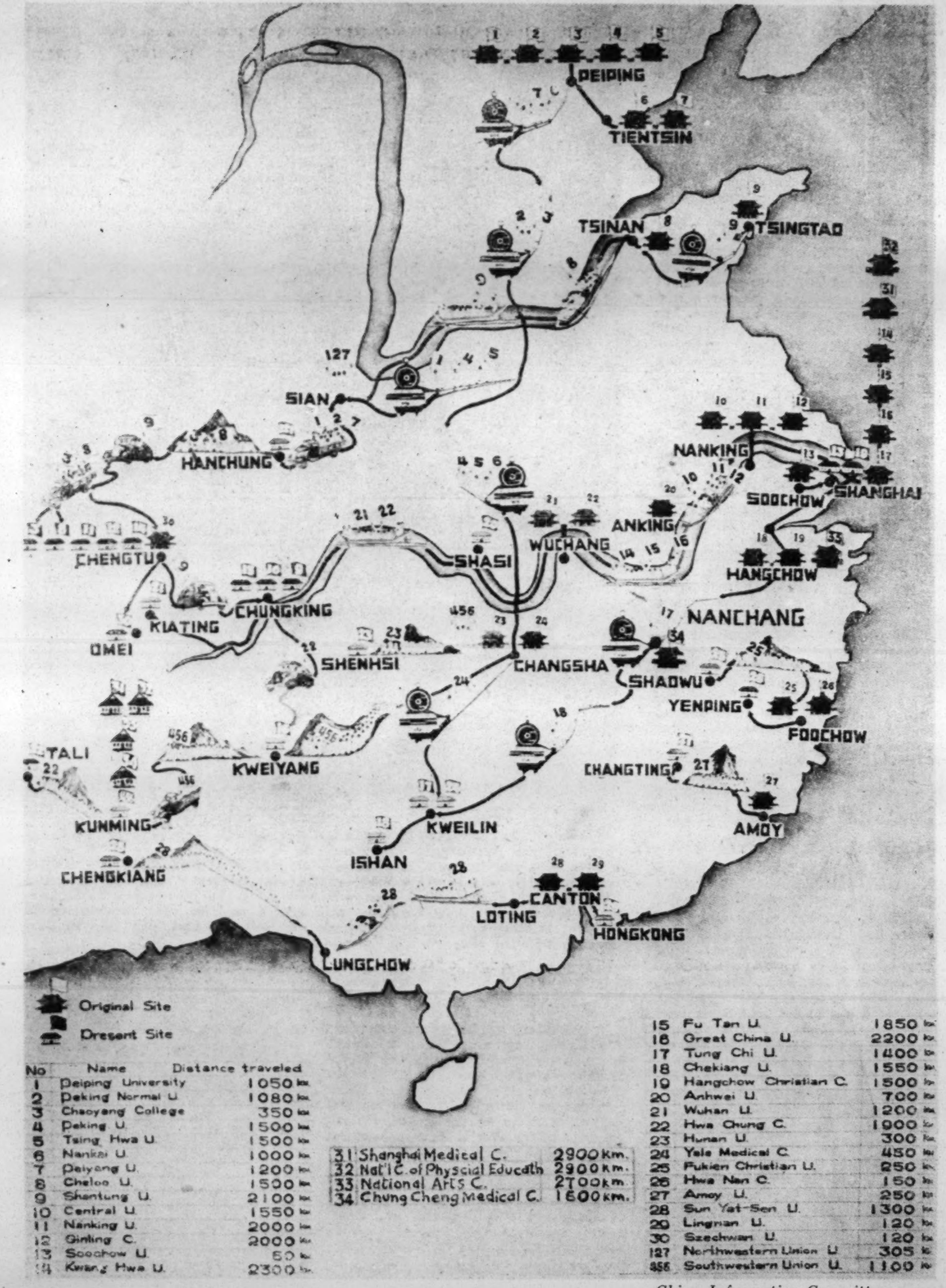
The Russian Emigrants' Committee in Shanghai has announced that a course in the Japanese language is now available for members of the organization. The course is for six months and the charge is only $5 a month. Prof. B. I. Voblyi, graduate of the Institute of Oriental Knowledge and for several years in charge of Japanese language instruction in the public schools of Harbin, will have charge of the courses here. In addition a Japanese teacher has been employed to "put the finishing touches on the pupil's mastery of the language," according to the announcement. The final examination will be given by a representative of the South Manchuria Railway, sent here for the purpose. Graduates will be provided with diplomas of Interpreters, Third Class.

Editor, Lawyer Abducted; Political Motive Seen

Chien Na-sui, editor of the *News Digest*, a Shanghai Chinese tabloid which has suspended publication, and Kan Hui-tung, lawyer and professor of the Great China University and Shanghai Law College, were kidnapped at about 6 p.m. last Sunday.

The two were abducted at the Kwen-Lun Bookstore on Burkill Road when a gang of more than 10 men entered the shop and crowded them into a waiting motorcar. As soon as they were forced into the automobile, they were sped away in a westerly direction. Although it is reported that both Chien and Kang were leading a quiet life, it is believed that the crime had a political motive behind it.

CHINA'S UNIVERSITIES ON THE MARCH


PEIPING
TIENTSIN
TSINAN
TSINGTAO
SIAN
HANCHUNG
NANKING
SOOCHOW
SHANGHAI
CHENGTU
SHASI
WUCHANG
ANKING
HANGCHOW
CHUNGKING
KIATING
OMEI
SHENHSI
CHANGSHA
NANCHANG
SHAOWU
YENPING
FOOCHOW
TALI
KWEIYANG
CHANGTING
KUNMING
KWEILIN
AMOY
CHENGKIANG
ISHAN
CANTON
LOTING
HONGKONG
LUNGCHOW

Original Site

Present Site

No	Name	Distance traveled
1	Peiping University	1050 km
2	Peking Normal U.	1080 km
3	Chaoyang College	350 km
4	Peking U.	1500 km
5	Tsing Hwa U.	1500 km
6	Nankai U.	1000 km
7	Peiyang U.	1200 km
8	Cheloo U.	1500 km
9	Shantung U.	2100 km
10	Central U.	1550 km
11	Nanking U.	2000 km
12	Ginling C.	2000 km
13	Soochow U.	50 km
14	Kwang Hwa U.	2300 km
15	Fu Tan U.	1850 km
16	Great China U.	2200 km
17	Tung Chi U.	1400 km
18	Chekiang U.	1550 km
19	Hangchow Christian C.	1500 km
20	Anhwei U.	700 km
21	Wuhan U.	1200 km
22	Hwa Chung C.	1900 km
23	Hunan U.	300 km
24	Yale Medical C.	450 km
25	Fukien Christian U.	250 km
26	Hwa Nan C.	150 km
27	Amoy U.	250 km
28	Sun Yat-Sen U.	1300 km
29	Lingnan U.	120 km
30	Szechwan U.	120 km
127	Northwestern Union U.	305 km
456	Southwestern Union U.	1100 km

31	Shanghai Medical C.	2900 Km.
32	Nat'l C. of Physcial Educatn	2900 Km.
33	National Arts C.	2700 Km.
34	Chung Cheng Medical C.	1600 Km.

China Information Committee

Japanese occupation of many of China's principal cities forced numerous universities to move inland. Map shows the original and present locations of those which were obliged to "march" into the interior.

Workers in Calcutta Strike, Tribes Rebel

Approximately 36,000 Indian workers, most of them employed in jute mills, are on strike in Calcutta for higher wages, according to a *Transocean* dispatch from Batavia. The strike, according to the German agency, commenced on Nov. 10 when 10,000 workers downed tools. They were soon joined by others at the rate of several thousands a day.

India's domestic troubles are now made known to the world almost exclusively through German and neutral sources (with the flavor of propaganda added), due to efforts of the British censorship to conceal the facts. Thus reports received in Amsterdam from London late last week, according to the *Transocean* agency, told of a new revolt by native tribes in Waziristan on the Northwest frontier of India. The reports said that Royal Air Force squadrons had gone into action to help frontier troops suppress the revolt.

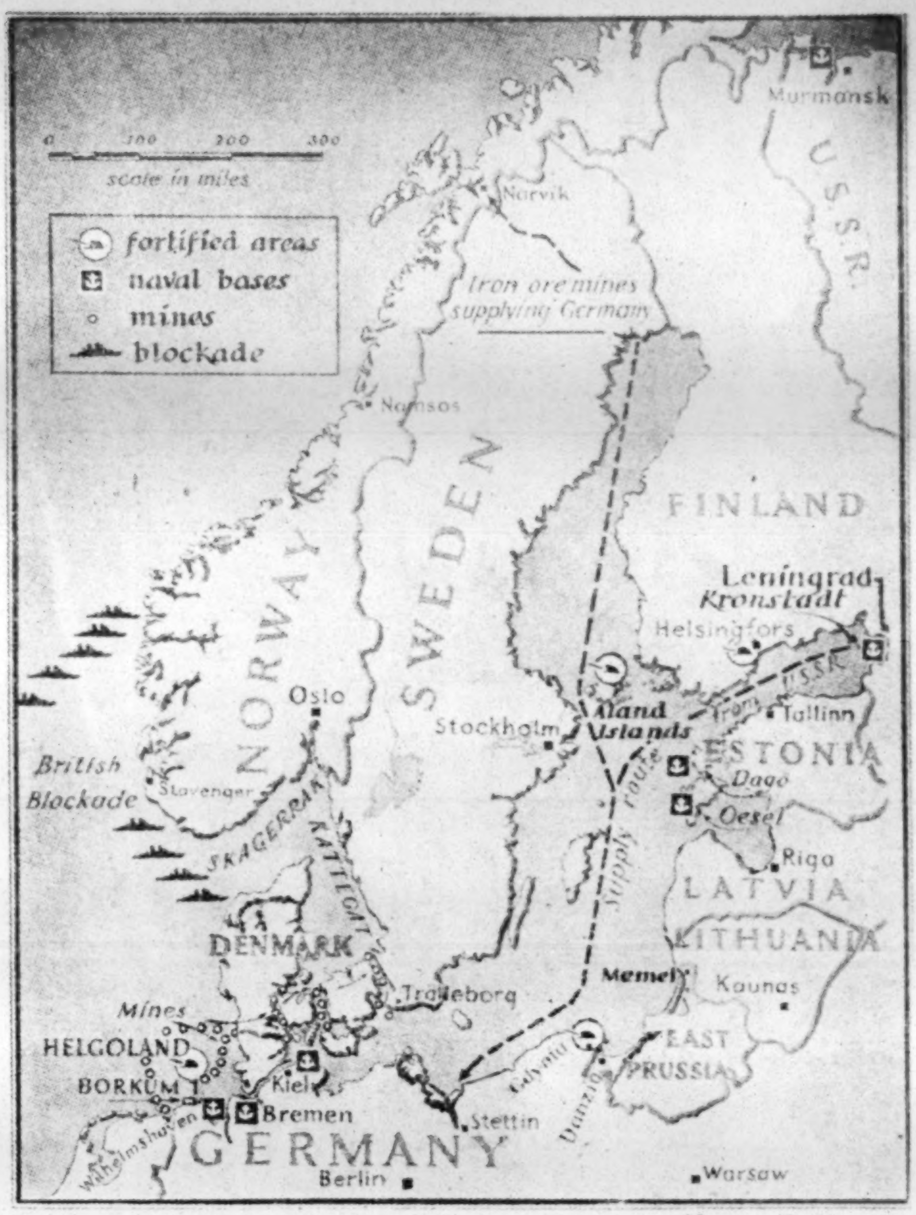
Britain's India policy has lately been a subject of extensive discussion in the press of England. The *Manchester Guardian* said that the British working class repudiated the Government's policy and were no longer prepared to fight for the "antiquated ideals" of British imperialism, while public opinion in neutral countries, especially in the United States, viewed with suspicion the reluctance of the British Government to grand independence to India. The British Government, the paper continued, must understand than an epoch definitely closed on Sept. 3, 1939. It was impossible to rule India according to the old recipe of sowing dissension between Hindus and Mohammedans or between the Indian people and the Princes. The Government would find it impossible to continue witholding freedom from 270 million people by such methods, the paper declared.

Mahatma Gandhi Speaks

In a telegram to the London *News-Chronicle* on Nov. 17, Mahatma Gandhi, Indian Nationalist leader, declared it was not astonishing that Hitler had challenged the British Government to prove its sincerity by recognizing India as a free nation. The British press, he contended, had attempted to divert attention from the kernel of the problem, which resolved itself into the question: Did Britain recognize India as an independent nation, or was India to remain a state of vassals? Gandhi reiterated the demand for convocation of a constituent assembly, which alone, he said, would be able to find a tolerable and permanent solution.

In a message to the Congress Party on Nov. 19, Gandhi warned the British Government that passive resistance cannot be delayed indefinitely if no agreement is reached regarding India's status. He advised the Congress Party to maintain, for the time being, a "neutral attitude" toward the British Viceroy in order to give the latter another chance to come to an understanding.

Britain and Germany Fight for Sea Control



Newsweek Map

Note the Arctic port of Murmansk in the upper right hand corner. It was here the German liner Bremen fled to escape capture by a British cruiser, and it was to the same port that the Germans took the American liner City of Flint, which later was seized by the Norwegian authorities when the German crew took the ship into a port of that country, in an attempt to escape the Britsh blockade and sail the American ship to Germany where the cargo would have been seized.

Japan-China Shuttle Ships To Have Wireless Phones

Preparations are being made by the Toa Kaiun Kaisha to install wireless telephones aboard the Shanghai Maru and the Nagasaki Maru, the Shanghai *Mainichi* reported last week. This measure is being taken, the paper stated, in view of the growing importance of the shuttle service between Japan and the Asia continent.

The Shanghai Maru and Nagasaki Maru, formerly N.Y.K. ships, will run between Kobe and Shanghai instead of Nagasaki and Shanghai starting next summer, the Shanhai *Mainichi* also reported, but will continue to call at Nagasaki, and also at Moji. A third ship will be placed on the Kobe-Shanghai run next August, the paper said, pointing out that the Kobe Maru, a 7,400-ton vessel, now being built at the Nagasaki Dockyards, will be completed by then. The Shanghai Maru and Nagasaki Maru have been on the China-Japan route for 20 years, the paper said.

The tentatively-named Japan Sea Maritime Transport Company will begin operations this month, Japanese Government officials and civilian investors decided at a meeting on Nov. 10, according to *Domei*. The company will start operations with a capital of Yen. 50,000,000, and will control Japanese shipping in the Japan Sea with 11 ships. Six of the vessels the company will begin operations with will be transferred from the Nippon Kisen Kaisha, four from the Dairen Kisen Kaisha and one from the Chosen Yushen Kaisha. The new firm will operate ships on the Nigata-North Korea, Fushiki-North Korea, Tsuruga - Vladivostock and the Tsuruga-North Korea shipping routes.

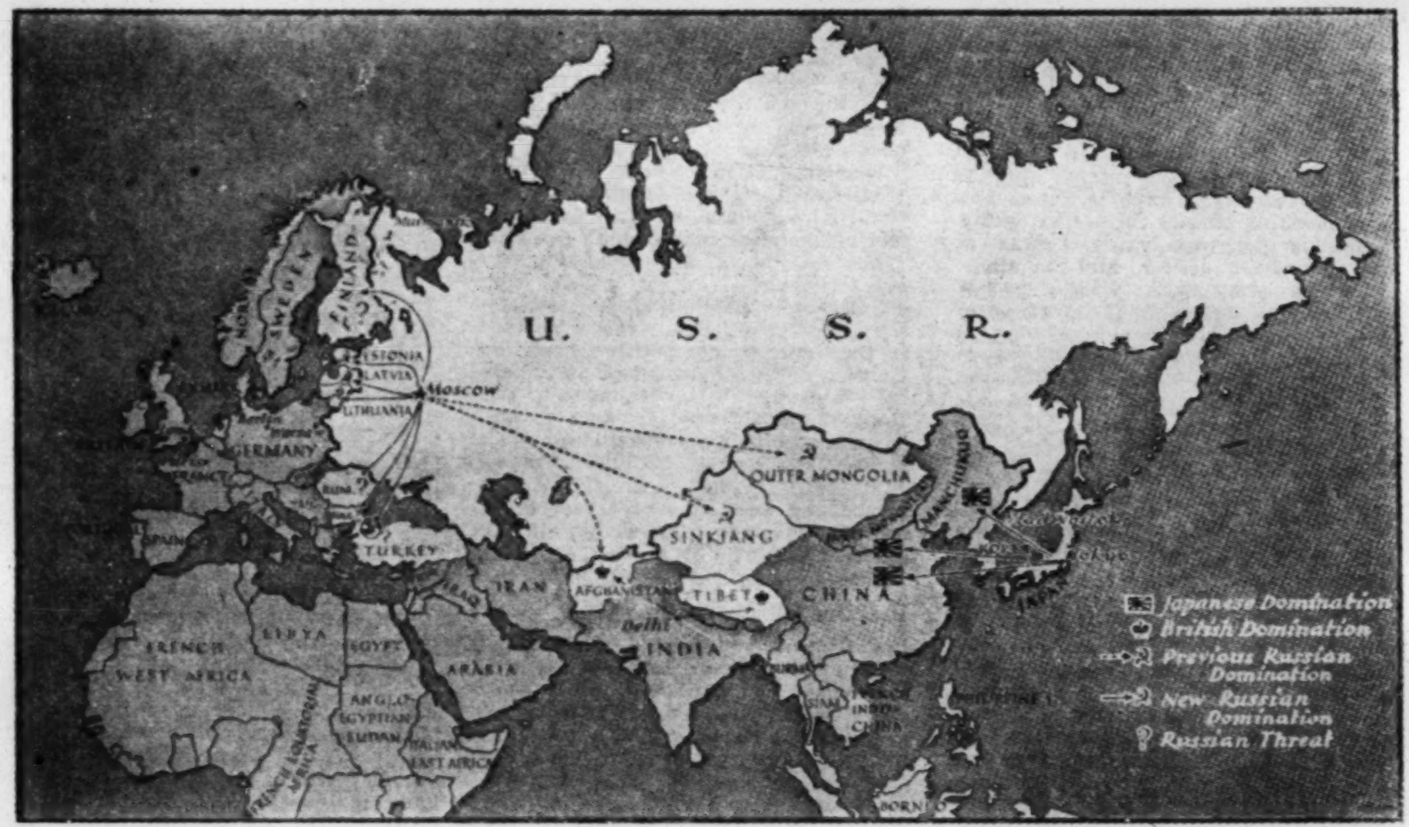
National Salvation and Construction in the North

(Special Correspondence)

"THE sense of National Salvation and of National Construction is similar; their actualities are identical," says a program issued by the National Defence Council in Chungking.

In the isolated North, these words find great application. At the beginning of the war the people of North China were demoralized by the early swift advance of the Japanese forces. Millions refugeed aimlessly over the countryside, the crops lay idle in the fields, the landlords didn't think about collecting their rents, the rich fled to places of safety, local governments collapsed and no-one came to take their place. The assumption came easily that North China was lost. But a few men, among whom General Nieh Jung-chen and Chairman Sung Sao-wen stand out, grasped the importance of China's strength in space, time and numbers; today a regular Chinese Government practically controls the lives of 14 million people and 78 hsien in the Border District of Shansi, Charhar and Hopei, and the old fatalism is replaced by a most infectious, inspiriting atmosphere of reconstruction-in-resistance. This development in the North has had its effect on the war in other parts of China. It has encouraged resistance, showing that occupation is not conquest; at the same time it has destroyed Japan's hope of making North China the military base and the gold mine for aggression.

Stalin's Tentacles Spread in Europe and Far East



Map by Frank Manning in Newsweek

General Nieh is Commander-in-Chief and Political Commissioner of the 8th. Route Army in the Military Area corresponding to the Border District. He is an old Communist, and a Long Marcher from Kiangsi. He is slight, quick in thought, measured in movement. He loves to enlarge on what he calls "the mischievous nature of guerrillarism." There is nothing except his brilliance of speech, his nerve, and his expressive way of speaking with his hands and facial expressions that he must have picked up during his student days in Paris, to distinguish him from the men about him: no difference in dress, no domination on his part, no sycophancy on theirs. His genius in building a powerful guerrilla army from a nucleus of only a little more than one regiment (after the 115th. Division went south to defend Taiyuan) speaks for itself.

The work of the Army's Political Department as an intrinsic part of the fighting machine is not so well-known. It is divided into six departments for propaganda and education of the soldiers, organization of political work, enemy work, mass movement, anti-traitor, and outside relations with friendly armies. The workers in the first are responsible for the weekly 7½ hours political classes. You can see them in the courtyards or fields around any village where troops are quartered, and as like as not your guard will be reading a text pamphlet or reciting its contents to himself while he waits for you. If you go with them on the march, you will see political posters spread on the rocks all along the way to keep their minds occupied as they walk. The chief subjects taught are the political and national significance of the war, 8th. Route Army traditions, correct attitude towards the people, the ways and wherefores of the Army's Three Great Orders and Eight Great Observances (San Ta Lu and Pa Ta Chu I). The workers must also lead the soldiers in their spare time activities, and build up the right attitude towards wrong-doing, which will keep discipline of itself. Each military district has a drama group; a troup of ex-student writers, musicians, bards, actors and professional actors tours the whole district under the direction of the Political Department.

The Enemy Work Department is mainly concerned to educate prisoners, translate captured documents, check on their contents, and be generally acquainted with puppet activities; to teach the army Japanese slogans and songs written specially and set to Japanese folk melodies, and to write pamphlets to scatter before the Japanese troops. The soldiers must learn at least one new Japanese song each month, and practice singing them together. The songs and the slogans are performed at the front when some group of Japanese soldiers is hopelessly surrounded but will not surrender; more than one prisoner has testified to their effectiveness. A prisoner I talked to the other day agreed, and even suggested using the tune of a Japanese song called "Red Cloud" which he said described a Japanese home in the evening, and would be sure to make the soldiers homesick. This prisoner was considered a "difficult case," being himself a professional propagandist among the

Chinese, not a soldier. It seemed to me that he and his Formosan interpreter were playing a game of being good prisoners so that they would be considered re-educated and sent back. But no inkling of this appeared in the manner of the workers, who treated them frankly and like long-lost brothers. I asked them about it afterwards; they said they didn't trust him either—kindness was a principle all the more necessary. The attitude of the army towards the enemy is significant: "Fight Japanese Imperialists, Love Japanese People" runs a slogan on the wall of a military headquarters in West Hopei.

Former Henchman of Yen

Chairman Sung Sao-wen was one of Yen Hsi-shan's party men, and governor of a district in northeast Shansi. Since becoming chairman of the Border District Government at its inauguration in January, 1938 he had joined the Kuomintang. He is a big man with a cultured manner and a wide, grave smile. Beside the 8th Route Army men he seems sophisticated, but he is companionable and practical with it. Rise at 6.30, two meals at 9 and 4, and the rest of the day in reports, interviews and training classes for new workers, was his program while I was at headquarters. Under him a second guerrilla army works. Resilience of method and attack is the keynote of government. All local government units are ready to get to horse at an hour's notice. Their organization flows into temporary gaps in the Japanese spheres, expands into new territory as it comes under the Army's control, and spreads like a wiry undergrowth right into the railway and city zones themselves. Workers and local administrators are all young men; most of them had no previous political experience before they left some city college or office for the Border District. In finding their feet, they have developed the political constitution of the District, regardless of precedent, along the most practical lines.

Village government is by election, which is soon to be extended to the Ch'u. But the people find their main opportunity for political expression and self-management in the mass organizations. There are four of these—the Farmers', the Workers', the Young Men's, and the Women and Girls'. All officials are democratically elected, and the conference of each regional stage elects representatives to the conference on the next stage. Their main object is to organize and educate nationally the whole population, to undertake war work, to be ready to help the soldiers by breaking bridges or preparing meals, and to eliminate traitors. The Women and Girls' Association is especially active; you can see their full-time, unpaid workers trudging the country roads, and meet them in the villages. Besides political education it aims at helping their family life and economic status, and getting them used to the idea of political action. According to its leader, "Big T'ien," the Association has many workers in Japanese territory living as peasant relations and sending out information.

Assuring Good Relations

The good relations between army and people are assured by several specific methods, as well as by unity of purpose. Taxation is unified (per capita burden said to average 50 cents for 1938, and all direct levy by troops is strictly forbidden. The people pay "National Salvation Grain," which is stored locally; the army goes over its wants with the Government and gets "Green Tickets" exchangeable for grain at the local depots. The soldiers are carefully educated and watched in all dealings with the people. Each Company has a standing elected Mass Movement Section whose job is to make all arrangements before the Company enters a village, and to remain behind afterwards to see that everything has been left in order. The Government has organized a Self-Defence Corps for all men between 16 and 50 to act as a people's support for the army. It has by this time reached a high level of efficiency, and some of its units actually take part in the fighting when it approaches their district. You are likely to be awakened before five any morning by the whistle or shouting of their drill, or the muffled sound of cloth-soled shoes and bare feet running past at the double in the dust.

Communication is another problem that has been well met. The fact that the Japanese hold almost every city makes close contact both essential (since they may sally at any time) and difficult. Now a rickety but efficient telephone system straddles the countryside, using the wire that is the fruit of competitions between Chinese mass organizations in Japanese "Railway Loving Villages." The District also has its own postal system and stamps, auxiliaried by a series of special "Communication Stations." If you use the old Chinese symbol of a chicken feather, stuck into the envelope ("air-mail"), it will travel by relays of messengers even during the night.

Practice of Government

Practice has grown of frequent conferences between the executives of the same organization, and between different organizations, until now, inter-level and inter-group meetings are a regular institution ensuring general coordination. The Government outlines a policy (e.g. just now Village Industrial Coops.) to the Supervisors, who each call their groups of six hsien chiefs, who in turn call the necessary local and specialized meetings and draw up detailed plans for their district. A village Farmers Association has a suggestion which is beyond the power of the hsien government to decide; it is referred up through the Association's conferences to the top, where there is direct contact with the Government. When I was at Government h.q. a group of young people was just setting out on a hike; but it wasn't a jaunt. They were a joint investigation committee on countryside conditions going to draw up a report for the Government of army-people-government relations in six hsien.

Economic measures against Japanese exploitation include a bank whose currency (said to be 3½ millions) has absorbed the old local bank notes and kept "puppet" notes off the countryside. "Foreign" export trade to Japanese cities is controlled by tax and outright prohibition, and by crop control which drastically cuts cotton production.

Unwillingly Isolated

The Border District is unwillingly isolated from the rest of China, and its present degree of independence will disappear as soon as circumstances allow. One is left in no doubt as to this from the speeches at mass meetings and the official propaganda. At the beginning of April, each district held a "Support Generalissimo Chiang Kai-shek Meeting." A pamphlet for general use was made of the National Defence Council's program for national spiritual mobilization, from which the title of this article is taken. The Generalissimo's May Day speech was widely publicized and acclaimed, and his declaration to the people in occupied areas last year is still remembered. A Diagram of the Three Principles Republic, issued March, 1939 by the Army's Political Department, on view in the soldiers' National Salvation clubrooms, says that the New China "will not be (1) a democratic capitalist state like England, France and U.S., or (2) a Soviet Union or socialism, but (3) a new type of Democratic Republic uniting all classes."

The spirit of youth invades the whole District. Thousands of young city-breds are "eating bitter" and thriving on it. They are filling out empty theories by direct contact with their countrymen and with various difficult situations; and in the process they are helping to build a real piece of New China on the countryside.

Sian, Shensi,
October 22, 1939

Al Capone Emerges From Penitentiary a Broken Man

Broken in health and tortured by mental aberrations, Al Capone, one-time Czar of the Chicago underworld and the world's most notorious gangster and racketeer, was released from Hofel Prison at Lewisburg, Pennsylvania on Nov. 16 and taken to the Union Memorial Hospital in Baltimore, Maryland, accompanied by three Federal agents. He was taken secretly from California to the Lewisburg prison on Nov. 12 after serving seven years, six months and fifteen days of an eleven-year sentence for income tax evasion. Physicians said that Capone was suffering from advanced paresis and that his case was almost hopeless, although they planned to try a new treatment on him, using malarial and artificial fever.

Russia Sank the Athenia, Reverend Walsh Declares

Russia torpedoed the liner *Athenia* at the beginning of the European war in order to draw the United States into the conflict so she could take over Germany, the Regent of Georgetown University's Foreign School, Rev. Edmund Walsh, said last week, according to *United Press.*

"Russia torpedoed the *Athenia,*" he said, "not Germany or Britain, as the Soviet would benefit vitally by the entrance of the United States into the war. United States participation would insure Germany's downfall and the U.S.S.R. could then send armies to the 'rescue' of the demoralized German population."

Japanese Troops Penetrate Kwangsi; Fall of Nanning Believed Imminent

JAPANESE forces operating in southwestern Kwangtung following the landing near Pakhoi on Nov. 15 have invaded Kwangsi province and intend to penetrate far inland into Yunnan and Kwangsi provinces in order to destroy Chinese forces there and to deliver "a heavy blow" to the anti-Japanese regime of Gen. Chiang Kai-shek by cutting the remaining Chinese supply routes, it was announced Nov. 16 by the director of the press bureau of the Japanese Expeditionary Force to South China, according to a *Domei* report. Similar aims were outlined in Tokyo by the *Asahi Shimbun* on the same date.

Meanwhile there are the usual conflicting reports, from Chinese and Japanese sources, regarding the progress of the newest Japanese military expedition. Chinese reports early this week admitted that the Japanese troops had taken Yamchow, but said that Chinese forces were holding up the Japanese advance northeast and northwest of that city in the face of fierce Japanese onslaughts.

Japanese Enter Kwangsi

Japanese dispatches as early as last Saturday, however, claimed that the invading forces had made a lightning advance across southwestern Kwangtung and had entered Kwangsi province. Nasiao, 12 kilometers north of the Kwangtung-Kwangsi border, was occupied on Nov. 17, it was claimed. At nightfall the same day, Tatang, which lies 15 kilometers north of Nasiao and 60 kilometers south of Nanning, former Kwangsi capital, was entered.

According to *Domei*, half of the Chinese inhabitants of Yamchow fled before the Japanese entered, while those remaining greeted the Japanese troops by waving Rising Sun flags. According to information from Kweilin, capital of Kwangsi, quoted by *Domei* in Canton dispatches, Nanning was thrown into panic as rumors flew that the Japanese were already at the gates of the city. Newspapers ceased publication last Friday, while all wealthy people, hsien government officials and other city leaders began a mass flight, it was stated.

In crossing into Kwangsi from Kwangtung, the Japanese forces had to negotiate the natural barrier formed by the Kiling Mountains. The rapidity of their advance, however, points to the general feebleness of the Chinese resistance. Moving along the Yamchow-Nanning highway, the Japanese troops were expected to occupy Nanning some time this week. Japanese aircraft raided the city last Sunday afternoon, according to Chinese reports from Kweilin. They dropped many bombs and caused big fires in the city.

Chinese Troops Surrender?

A *Domei* message from Canton on Nov. 20 said that mass surrenders by Chinese troops, together with their officers, had become an outstanding feature of the military campaign. Gen. Chang Fa-kwei, "Ironsides" commander who fought the Japanese in Pootung (Shanghai) in 1937, and now commander of the Fourth War Zone comprising Kwangtung and Kwangsi provinces, was said to have urged the troops under his command to offer bitter resistance to the Japanese advance by resorting to "scorched earth" tactics. Nevertheless it was claimed that Chinese troops at the Kwangtung-Kwangsi border displayed a "low morale" by surrendering in batches of from 300 to 600 and offering to repair highways destroyed by Chinese troops in retreat.

Chinese press reports from Kwangchowwan (French Leased Territory adjoining Kwangtung) published in Hongkong said that Gen. Pai Chung-hsi, director of Gen. Chiang Kai-shek's southwestern headquarters, visited Nanning on the morning of Nov. 19 and then returned to Kweilin. A Japanese report from Canton claimed that Gen. Pai was at odds with Gen, Tsai Ting-kai, commander of the 16th Group Army, who allegedly ignored Gen. Pai's order to carry out the "scorched earth" policy, insisting insead on guerrilla warfare to hold up the Japanese advance.

Pakhoi's Fate Uncertain

Whether Pakhoi, near where the original Japanese landing was made, has fallen to the Japanese or not, was very much in doubt early this week. Quoting foreign reports from Kwangchowwan as early as Nov. 16, *Domei* said that Chinese troops withdrew from the city early that day and that Japanese troops then entered. Chungking denies that the city has fallen. Martial law is reported to be in force in Nanning. All residents have been ordered to evacuate, while a local defense corps has been reportedly formed.

Indicating Chungking's attitude, a *Reuter* report, from that city the day after the Japanese landing near Pakhoi, quoted Chinese circles as believing that there would be no major Sino-Japanese battle in southwest China. They reportedly took the view that after occupying the Pakhoi area, the Japanese would be unlikely to attempt a drive into Kwangsi province. If this report reflected the attitude of the Chungking Government, the feebleness of the opposition to the Japanese advance is already partly explained. Confounding the reported Chungking belief, Japanese troops were pouring across the Kwangtung-Kwangsi border within four days of the Pakhoi landing after a clear declaration of their intention to sever China's vital southwestern supply routes.

"No Military Significance"

A characteristic Chinese view of the new Japanese military operations was furnished by the local *Hua Pao*, which frequently expresses the view of the Chinese military authorities. The Japanese landing near Pakhoi, this journal said on Nov. 17, "is another injection dose for the war-weary Japanese people at home and is devoid of vital military significance." The *Shun Pao* comment the same day was much more alive and realistic. There was an economic motive behind the Japanese landing, the paper said, affirming that the Japanese, in addition to taking Pakhoi, China's last remaining port of consequence, intended to seize Nanning, the "Granary of Kwangsi."

Reports from Haiphong this week said that French troops were manning the Kwangtung-Indo-China border to prevent a possible disorderly influx of refugees.

Mr. Sumner Welles, Assistant Secretary of State in Washington, declared on Nov. 16 that the State Department was watching Japan's invasion of the Pakhoi region, although it was uncertain what American interests, if any, were involved.

Attack in the North

A *Domei* dispatch from Tokyo on Nov. 18 said that the Japanese Expeditionary Force in North China had launched an organized attack on Chinese Communist troops and guerrillas in the mountainous border region between Shansi, Chahar and Hopei provinces. Communist troops, the report said, had been withdrawing from Shansi province into Shensi province, apparently with a view to establishing another Soviet region in the northwest.

Quiet prevails on the Hunan front, where Japanese troops recently suffered a resounding defeat, but according to a Chungking dispatch published in Hongkong on Nov. 18 and brought to Shanghai by the *Domei* agency, Chinese defense forces in Hunan and Kiangsi are preparing against another Japanese drive on Changsha, provincial capital of Hunan.

Boomerang Defense Measure

Meanwhile, according to a *United Press* dispatch from Hongkong, foreign advisors have warned the Chinese military authorities that China's chief means of passive defense—the complete destruction of all means of communication in each war zone to prevent further Japanese advances—may prove a boomerang when the long-planned Chinese counter-offensive gets under way. Destruction of communications for defense is ideal, they reportedly said, but at the same time it undermines the foundation for counter-thrusts, especially if they are planned on a large scale.

However, in the opinion of one of the French advisers, the *United Press* report said, the Chinese at present have no hope of carrying out a wide-scale counter-offensive, since the war in Europe has destroyed their chance of securing the armaments and equipment necessary for such a drive. Consequently, they would continue defensive warfare, hoping for a change in the world situation or in Japan's policies.

Shanghai-Tokyo Telephoto Service Said Due Soon

Telephoto service between Shanghai and Tokyo will be inaugurated in January by the Central China Telecommunications Company, the *Tairiku Shimpo* reported last week. Apparatus has already been installed, the paper said, and tests will begin in Shanghai as soon as a group of experts from Japan arrive at the end of this month.

Drought Cuts Korean Rice Crop by 42 Per Cent; Japan Faces Shortage

U. S. MARINES GUARD LOCAL RICE HONGS AFTER NIPPON VISITS

Guards furnished by the U. S. Fourth Marines were patrolling outside two rice hongs in Shanghai's Sinza district on Monday of this week, following a visit to the premises last Saturday by three Japanese (one a gendarme and two others employees of a transportation firm) who allegedly were searching for "smuggled rice." The Japanese nailed up the rear doors of the hongs and locked the main entrances. Informed of the visits, the Shanghai Municipal Police posted guards, while the Marines, in whose defense sector the two hongs are located, reinforced the police.

The Japanese action is believed linked with the rice shortage in Japan, some quarters suggesting that Japanese in the interior are tightening control of China's rice supply with a view to exporting large stocks to Japan. Reports of such exports and unfavorable crop reports from the hinterland caused the local price of rice to jump from $28 to $35 a picul last week-end.

JAPAN'S economic difficulties, intensified by the prolongation of the war in China which fails to bring anything like adequate returns for the huge investment in life and treasure, have now extended to the staple diet of her people, according to reports which indicate that the country is shortly to face a serious shortage of rice.

According to a *United Press* dispatch from Tokyo on Nov. 17, it is highly likely that Japan will be forced to import considerable quantities of the grain next summer from Siam, French Indo-China and Burma to meet a threatened shortage.

Korean Output Halved

Although Japan produces annually close to 320 million bushels of rice, her people eat about 365 million bushels. The shortage is usually made good by imports from the Japanese colonies of Korea and Formosa. But this year, Korea suffered a serious drought which cut the country's output by an estimated 42 per cent. There is consequently not sufficient rice for Korea's own needs, and the 30 to 40 million bushels usually exported to Japan will now have to be sought elsewhere.

The drought in Korea this year has not only made rice exports to Japan impossible, but it also reduced crops below the level required to meet the needs of the Korean people. This fact was shown last week in a resolution presented to the Ministry of Agriculture in Tokyo by members of the Social Masses Party, demanding that cereals be sent to Korea immediately from Manchukuo and Japan to "secure an even supply of food."

While Korea's rice crop was severely curtailed by drought, a *Domei* report from Seoul on Nov. 19 indicated that the wheat and barley crops for the current fiscal year had risen by 6,887,400 bushels over last year's crops. This year's total, it was stated, amounted to 65,687,940 bushels.

Must Drink Less Sake

So serious has Japan's rice shortage become, that the Government is planning to deprive the *sake* brewing industry in Japan and colonies of some 2,000,000 *koku* of rice which normally they would be using. Last year, the rice allotted to *sake* brewing was cut by 10 per cent, but this further cut is now deemed necessary, according to the *Asahi Shimbun*.

Not only will the Japanese people have to content themselves with less *sake*, but they henceforth will pay higher prices for their cigarettes. A 14 per cent increase in price was decreed on Nov. 16, effective immediately. Tobacco is a Government monopoly, and the increased price is intended to furnish additional revenue. Government officials estimated, according to *Domei*, that the increase would yield an additional Yen 15,000,000 for the national treasury this fiscal year, and a total revenue increase of Yen 60,000,000 for the 1940-41 fiscal year.

At the last-day session of the ordinary general meeting of the Imperial Agricultural Association in Tokyo on Nov. 10, a lengthy discussion took place on the food situation. A number of recommendations to the Government were adopted, among them being a proposal that complete preparations be made for the introduction of a "ticket rationing system" for the future distribution of foodstuffs.

"A Contemptible Invention"

The more Japan's people are compelled to tighten their belts in order to keep the Japanese war machine in the field in China, the more sensitive their rulers become to the propagandist use made of Japan's economic difficulties by the Chinese. An example of this was a statement last week by Rear-Admiral Seiichi Iwamura, newly-appointed Japanese Naval Resident Officer in Shanghai, who in an interview with Japanese newspapermen "flayed" Chungking propaganda to the effect that Japan's measures for controlling economy indicated that her resources were insufficient for prolonged hostilities.

"A contemptible invention" was the description which the Admiral applied to this propaganda, at the same time pointing out that there was "a country in Europe" (evidently meaning Germany) which imposed more stringent economic regulations than were enforced in Japan.

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Locusts Eat Clothes Off Farmers' Backs

Another example of Japan's economic difficulties was reported from Tokyo in a *Domei* dispatch last week which said that farmers in Fukui Prefecture on the Japan seaboard had launched a fight against locusts—not to save their crops, but their *ersatz* clothing.

Discovery was made recently that the locust was eating holes in the farmers' staple fiber clothes—sometimes while the men were working in the fields, and eleven instances of this kind were reported subsequently.

Farmers in the Prefecture at first thought that the holes in their clothing were evidence of lack of durability of the staple fiber goods, but closer examination showed that the clothing had been eaten and not worn or torn.

It was concluded that the locust finds wood pulp, from which staple fiber clothing is made, exceedingly palatable—"especially when seasoned with salty human perspiration," *Domei* added.

No answer has yet been suggested to this new economic problem in Dai Nippon, although rumor has it that Government authorities are tightening up censorship rules to prevent the woodpeckers from discovering that their favorite article of diet can now be found on the backs of Japanese peasants.

Number of Japanese in China Rises 300 Per Cent

The Japanese population in Mongolia, North, Central and South China now totals 275,822, the Bureau of East Asiatic Affairs of the Tokyo Foreign Ministry estimated on Nov. 17, according to *Domei*. This figure, it was stated, included only those who had registered with Japanese authorities in the respective areas, and compared with a total of 85,700 in 1936, thus showing an increase of more than three times.

Detailed figures showed that 176,945 Japanese were living in Mongolia and North China, 81,496 in Central China and 17,381 in South China. The numbers of Japanese residents of the principal cities in Japanese-occupied China were given as follows: Peiping 46,642, Tientsin 19,731, Shihchiachwang 17,091, Taiyuan 15,970, Tsingtao 27,674, Tsinan 17,903, Shanghai 58,168, Nanking 8,854, Hankow 7,197, Amoy 7,794, Canton 7,926, Kalgan 9,930, Tatung 6,338.

The Tokyo *Asahi Shimbun* reported sizeable increases of the Japanese and Korean populations of Manchukuo in one of its recent issues. When Manchukuo was formed in 1932, the paper stated, its population included 140,071 Japanese and 596,057 Koreans, but according to investigations of the Peace Preservation Department of the puppet state these figures had risen, by Oct. 1, 1938, to 498,294 Japanese and 1,084,212 Koreans.

Chiang Takes Presidency of Executive Yuan as C.E.C. Votes to Summon People's Congress Next Year

THE outstanding development in China's political situation this week was the action of the Kuomintang C. E. C. Session in appointing Gen. Chiang Kai-shek to the additional concurrent post of President of the Executive Yuan in succession to Dr. H. H. Kung. The new appointment is of importance not only in that it concentrates more power into the hands of Gen. Chiang but also makes him the *de facto* as well as *de jure* head of the government. An added significance is that the appointment follows closely upon Gen. Chiang's assumption of control of Szechwan as chairman of the provincial government.

Indicative of the enormous responsibilities now shouldered by Gen. Chiang is the imposing list of high posts held by him both in the Party and the Government. To enumerate the most weighty ones, Gen. Chiang is now *Tsung Tsai* (Chief Executive) of the Kuomintang, chairman of the Supreme National Defence Council, chairman of the Military Affairs Commission, chairman of the People's Political Council, president of the Executive Yuan and chairman of the Szechwan Provincial Government.

People's Congress Next Year

In contrast to the strong tendency of centralization, however, was another decision of the session to convoke the National People's Congress in November next year to enact and promulgate a constitution in order to introduce democratic government in China. This decision, though it remains to be carried out, is likewise of considerable political significance. Adoption of this decision may be reasonably attributed to the agitation by the Chinese Communist Party for the abolition of one-party rule by the Kuomintang.

In the light of this background of Communist agitation, the C.E.C. decision to summon a People's Congress for the purpose of enacting a constitution may be viewed as a great gesture on the part of the Kuomintang to conciliate the Communists. From the Kuomintang's point of view, the decision is a grave one, because if duly carried out, it would mean the end of Kuomintang rule in China and the inauguration of a new political stage in the country's history. To the Communists, the decision is also of vital importance. Once a constitution is enacted and proclaimed, they will acquire a legal status and can rightfully claim to share the tasks of government.

Manifesto Issued

After meeting for a week, the C.E.C. Session adjourned on Monday of this week. In a manifesto marking the close of the session, the C.E.C. reaffirmed China's determinaion to continue the war of resistance against Japanese aggression. In spite of its short duration, the session recorded two major acts. The first, as pointed out above, was the decision to convoke the People's Congress in November, 1940 and the second to reorganize the administrative branch of the government by the appointment of Gen. Chiang to head the Executive Yuan.

Political circles in Chungking pointed out that both decisions have a vital bearing on the present political situation in the country. The first tends to further consolidate the United Front among all political factions joining the war of resistance against Japan, while the second strengthens the administrative organ of the government, making it stronger and more efficient than before. Further, while the former shows the Kuomintang's loyalty to the nation and faithfulness in following the fixed program of Dr. Sun Yat-sen, the latter is designed to remove all possible inefficiency or rivalries in the administrative field.

Following the close of the session, many important changes in the personnel of the Party and the Government have been announced. Dr. H. H. Kung, who has been succeeded by Gen. Chiang as president of the Executive Yuan, will take the post of vice-president of the Yuan and retain his concurrent position as Minister of Finance. The former vice-president of the Executive Yuan. Gen. Chang Chun, has resigned.

Dr. Wang Shih-chieh, former Minister of Education and Chinese President of the Sino-British Cultural Society, has been appointed Minister of Publicity, replacing Yeh Chu-tsang, who is to have the post of Secretary-General of the Central Kuomintang. The former Secretary-General, Dr. Chu Chia-hua, has been made head of the Organization Department of the Party.

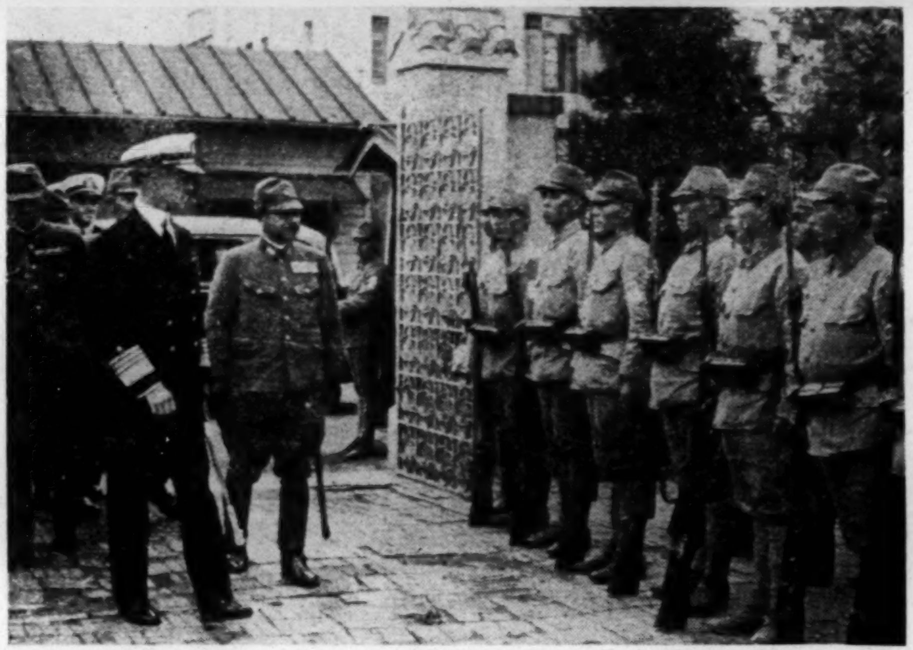
General Wu Te-chen, former Mayor of Shanghai and later Governor of Kwangtung, has been appointed to the post of Chairman of the Overseas Department. Ku Cheng-kan has been made head of the Social Welfare Department, replacing Chen Li-fu.

New Ministries Proposed

During the session, it was understood that proposals were made to create three new ministries—a Ministry of Forestry and Water Conservancy, a Ministry of Trade and a Ministry of Social Affairs—but no definite decision was taken on them. It is, however, considered probable that the three projected administrative organs may be established in due course of time, because a tentative personnel to head them has already been chosen. Chen Kuo-fu, formerly chairman of Kiangsu, is mentioned as the head of the Ministry of Forestry and Water Conservancy, while T. L. Soong, younger brother of T. V. Soong, is slated for the post of Minister of Trade. No candidate for the post of Minister of Social Affairs, has yet been named. The creation of a Ministry of Highways was said to have also been proposed, but it is not known whether the proposal was acted upon by the Session.

The manifesto issued by the C.E.C. is devoted mainly to a recapitulation of the proceedings and decisions of the session, and reaffirms the policy of resistance to Japan. The manifesto also stresses the importance of the decision to convoke the People's Congress next year "in fulfillment of Dr. Sun Yat-sen's will and consistent with the Party in the U.S.S.R.

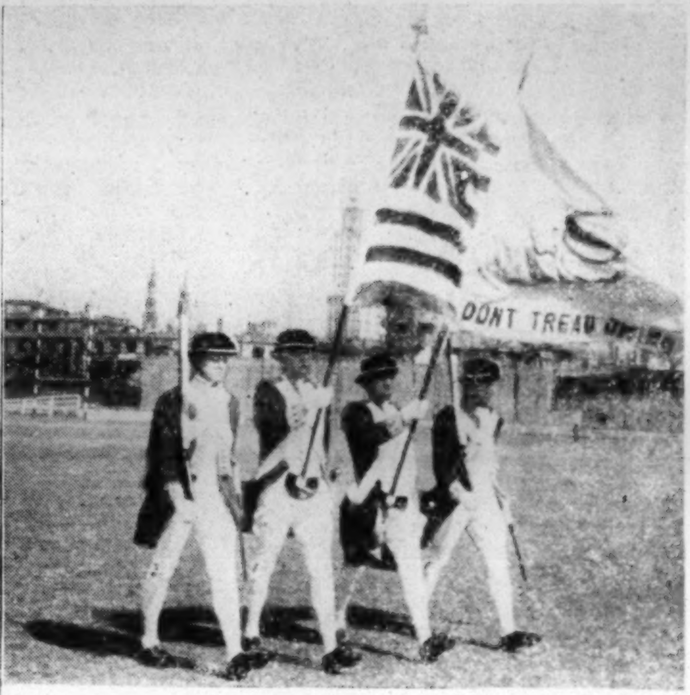
Admiral Hart Visits Japanese Commander



Press Union Photo

Admiral Thomas C. Hart, Commander-in-Chief of the United States Asiatic Fleet, called on Lieut-Gen. Susumu Fujita, newly-appointed Commander of Japanese Forces in the Shanghai area, on Nov. 14. Picture shows Admiral Hart inspecting the Japanese guard of honor at Gen. Fujita's temporary headquarters in the Civic Center at Kiangwan.

Fourth Marines Mark 164th Birthday Anniversary of Corps



Photos by Lacks

The Fourth Regiment of the U. S. Marines paraded at the Shanghai Race Course Nov. 15 to mark the 164th birthday anniversary of the Corps. A Color Guard (above) wore specially-made uniforms, replicas of the garb used when the Corps was born at the time of the American Revolution. The colors borne were the first American colonial flag with the Union Jack, and the famous "Don't Tread on Me" banner. In the picture at left, Admiral Thomas C. Hart, Commander-in-Chief of the U. S. Asiatic Fleet, is seen presenting new colors to the Fourth Regiment.

in the era of Democracy." As to the policy of resistance, the docoument quoted Gen. Chiang's address at the opening session, which stressed, "First, resistance will go on until the Japanese militarists come to their senses, and second, by our own efforts and by maintaining our confidence in friendly nations we shall, at least, achieve finanal victory which will safeguard the world for peace."

The manifesto reiterates that the National Government shall abide by the four principles of national policy formulated since the invasion of Manchuria, namely,

"1. Resisting aggression to protect our sovereignty and territorial and administrative integrity.

"2. Upholding the validity of international commitments, especially Nine-Power Treaty, the League of Nations Covenant and the Anti-war Pact.

"3. Refusing to join an anti-Comintern agreement.

"4. Maintaining absolute independence in diplomacy."

Finally, the manifesto sounds a general warning that so long as Japanese aggression is not curbed, the danger of a common menace to the world will remain.

No Reference to Communists

It is noteworthy that throughout the 4,000-word message, there is no word about Kuomintang-Communist relationship. It is, however, presumed that the Kuomintang's decision to summon a People's Congress has satisfied the Communists' demand for the introduction of constitutional government and eliminated their main complaint.

Japanese sources continue to harp on the theme of the steady worsening of Kuomintang-Communist relations. They point to the absence of Communists from the C.E.C. meeting as an indication of the split between the two parties. In particular, the Japanese allege that a strong anti-Communist sentiment prevails among the Kuomintang Elder Statesmen Group, consisting of Tai Chi-tao (president of the Examination Yuan), Yu Yu-jen (president of the Control Yuan), Chu Cheng (president of the Judicial Yuan), Drs. Tsai Yuan-pei and Li Shih-tseng and Mr. Chang Ching-kiang. These Kuomintang Elders were said to have urged the abolition of the special Communist regime in the Northwest and disciplinary measures against the Communists for their illegal conduct. Gen. Chiang Kai-shek, Japanese reports further alleged, was said to have greatly disapproved the stand of the Kuomintang Elders and prevented the adoption of any punitive measures against the Communists in order to avert an open split.

Members of the pro-Soviet Group in the Kuomintang, including Dr. Sun Fo, Gen. Feng Yu-hsiang and Shao Li-tzu, according to Japanese reports, were said to be advocating sweeping reforms in the National Government in which leaders of the Communist Party should be given important posts. Sun Fo, now visiting in London, was said to have cabled the session, urging the Party leaders to find a way out of the crisis in pursuance of the policies advocated by Dr. Sun Yat-sen.

Communists Hold Conference

Meanwhile, Japanese reports claimed that the Communist Party was holding an emergency conference at Yenan, with all the important Communists in attendance, including Mao Tse-tung, Chu Teh, Chou En-lai, Peng Te-hui, Lin Piao, Ho Lung, Hsiao Keh and Hsu Hsiang-chien. They were reportedly discussing military measures to be taken in the event of the worst developments in Kuomintang-Communist relations. As a measure of precaution, the main body of the Communist troops was alleged to be withdrawing from Shansi into Shensi.

The recent interview between Dr. H. H. Kung and M. Alexander Panaouchkine, Soviet Ambassador to China, was exploited by the Japanese for speculation and propaganda. The Soviet envoy was alleged to have made a vigorous demarche expressing dissatisfaction with the current state of relations between the Kuomintang and Chinese Communist Party. He was said to have asked Dr. Kung to control anti-Soviet policy and anti-Communist speech and activities, to guarantee the independence of the administration of the Chinese Soviet frontier district, to guarantee that the Communist Party will be treated on an equal footing with the Kuomintang. M. Panaouchkine was further said to have stressed the inseparable connection between the continuation of the war of resistance and the coalition of the Kuomintang and the Communists.

Kuomintang seniors as well as rightist members were reported by the Japanese as being indignant at the alleged Soviet action, while the C.E.C. session was flooded with telegrams from various Kuomintang generals at the front denouncing the Soviet move.

Chinese reports on the Kung-Panaouchkine interview gave an entirely different interpretation. It was pointed out that the meeting of the two officials tended to indicate closer relations between China and the U.S.S.R. and to offset rumors of an imminent Japanese-Soviet rapprochement.

The current visit in Shanghai of Yakichiro Suma, director of the Information Bureau of the Japanese Foreign Office, coupled with the Japanese offensive in South China, appears to have given an impetus to Wang Ching-wei's "peace" movement. Judging by present indications and on the condition that Wang's plans do not again go awry, it is probable that before the end of the year or on New Year's Day 1940, we shall see the emergence of the much-publicized but long-delayed puppet central government with Wang playing the chief role.

Puppets in Opposition

As the situation stands now, there seem to be still some obstacles to be overcome and much bargaining to do between Wang and the Japanese. The obstacles, which consist mainly of underground opposition by Wang Keh-min of Peiping and Liang Hung-chih of Nanking, can be easily surmounted, if the Japanese mean to remove them. It may be presumed that both Wang Keh-min and Liang Hung-chin will respond quickly to tne Japanese whip, should it be employed.

In this connection, it is interesting to note the assertion made by a "prominent henchman" of Wang Ching-wei to the *United Press* at Peiping that further obstacles placed in the way of Mr. Wang for the establishment of the "central government" may be steamrollered by Japanese military authoriies in Nanking who, he said, do not want to face the Japanese Diet without an established Wang regime which was promised the Japanese people early this month by Premier Gen. N. Abe. The Wang henchman admitted that Wang Keh-min's tactics in opposing Wang Ching-wei had so far been successful, but asserted that the former's influence in North China was waning.

Wang, Japanese Bargain

Meanwhile, according to a report in the *Shanghai Evening Post*, considerable bargaining is going on between the Japanese and Wang Ching-wei in connection with the formation of the new government. It is said that a wide gap still exists between the views of Mr. Wang and the leaders of the Japanese government concerning the degree of sovereignty of the proposed government. The difference of opinion is said to be especially pronounced in matters concerning "economic cooperation" and the two-fold problem of the withdrawal of the Japanese troops and the creation of a new Chinese army under the proposed government.

Mr. Wang is declared to be insisting that the Japanese government must restore to the new government all the economic resources which it has taken over from China in the wake of the Japanese military gains before "cooperative" measures may be adopted. The demand is said to be far-reaching and including the return of the railways which the South Manchurian Railway and the Central China Railway Company are now operating.

In this connection, Mr. Wang is represented as also seeking the restoration of the industrial and commercial enterprises which Japanese civilians and "ronin" had seized in the occupied zones.

The Japanese government is said to be prepared to restore to rightful owners property seized by the private Japanese concerns or individuals but is adamant in refusing to relinquish others seized by her government organs under the Asia Development Board.

The question of the withdrawal of Japanese Army in favor of the Chinese forces to be created under the new government is also standing in the way, it is reported.

The Japanese government is declared to have told Mr. Wang that the maximum concession she could give is to allow the new government to maintain a "pacification army" but no regular defense forces.

Substantiating these reports, the editorials of the *Central China Daily News*, Wang's organ in Shanghai, lately raised several imporant problems during Mr. Wang's meeting with Mr. Suma. The paper demanded:

1. That Japan must reach a peace agreement with Mr. Wang before the formation of the new government, and
2. That Japan must gradually withdraw her forces from China in order to show the independence of the new government and its equal and reciprocal position with the Japanese Government.

It is said that differences of opinion between Wang and the Japanese is the chief obstacle now facing the formation of the new government.

Suma's Shanghai Visit

The real purpose of the present visit in Shanghai of Y. Suma, Japanese Foreign Office Spokesman, cannot be ascertained. But *Domei* reported that his chief mission was to convey to Wang Ching-wei Japan's unstinted support of the movement to establish a new China government. Calling on Wang last week, Mr. Suma was said to have handed him messages of support from Prince Konoye, Premier Gen. Abe and War Minister Gen. Hata. To hearten Wang, the messages were said to have asserted that Japan would never negotiate peace with the Chungking government.

Voicing his gratitude for the Japanese assurances of support, Wang boasted to Suma that he would exert his efforts to establish a powerful central government in order to reciprocate Japan's goodwill as well as the sacrifices made by Japan in the Sino-Japanese conflict. Wang also assured Suma that he would do his utmost to effect a readjustment of relations between China and third Powers along the lines of cooperation with Japan.

Mr. Suma's interview with foreign press representatives in Shanghai created a minor flurry which prompted official action by the Tokyo Foreign Office. Mr. Suma was quoted by the *United Press* as having stated that the establishment of the new China government with Wang Ching-wei as the central figure had been postponed. Tokyo raised serious objection to this statement and the Foreign Office issued an official denial, assering that the Wang regime would be established in the near future.

Mr. Suma is plamning to make a tour of inspection in Central China before returning to Japan. During his sojourn in Shanghai, besides visiting Wang Ching-wei, he also conferred with Japanese military, naval and diplomatic officials and "Mayor" Fu Siao-en.

New Government Imminent

High hopes are apparently placed on Wang Ching-wei by the Japanese, but it seems that they are just expecting too much from a puppet. Addressing the second session of the Asia Development Board, Premier Abe said: "The salient feature in the new China situation is the imminent inauguration of the new Central Government, with Wang Ching-wei as the central figure. The sound development of the new government will not only go a long way toward readjusting relations between Japan and China but will also demonstrate the possibility of new diplomatic relations between Japan, Manchukuo and China."

Premier Abe urged all third Powers in China who have failed to understand Japan's position regarding the China affair, to reconsider their attitude seriously.

Mountainous Difficulties

Discussing the China situation, War Minister Gen. Hata declared that difficulties "as high as mountains" are still in the way of a settlement of the China conflict. Japan, however, he said, would grant the new Chinese government unrestricted cooperation and support. Gen. Hata described the establishment of this government as a preliminary condition for ending the China conflict.

In his first press interview, Gen. Susumu Fujita, new Commander-in-Chief of the Japanese forces in Shanghai, told foreign correspondents that "the Japanese forces are not fighting the Chinese nation. They are engaged in a struggle with an anti-Japanese political regime, which they intend to destroy. There is a strong desire for peace among the Chinese people in general. Many are in sympathy with our aims and a large number of enlightened Chinese, who share with us our concern for the fate of China, are gradually joining Wang Ching-wei in his movement for peace. We believe the Chinese people will support Mr. Wang in order to obtain peace as soon as possible."

Puppet Army Organized

The first puppet army in South China came into being on Nov. 15, when it was announced by *Domei* that a Gen. Hwang Ta-wei, formerly military leader of Kwangtung, proclaimed himself Commander-in-Chief of the First Group Army of the "Peace and National Salvation Army," with headquarters in Swatow. Gen. Hwang supported the peace movement sponsored by Wang Ching-wei and pledged cooperation with him in securing peace and national salvation. He threatened that those who obstructed the peace movement would be regarded as enemies. The puppet army was formd in accordance with a resolution adopted by the Central Executive Committee of Wang's Orthodox Kuomintang in Shanghai, Gen. Hwang explained.

Peng Tung-yuan, chairman of the Canton Peace Maintenance Commission, has been promoted by the Japanese, according to *Domei*. He is now chairman of the "Provincial Political Affairs Commission of Kwangtung," through the recommendation of Wang Ching-wei. Among the members of the new committee is Wang Tao-yuan, kinsman of Wang Ching-wei. Meanwhile, the Japanese are planning a new regime in South China with jurisdiction over Canton, Hainan Island and Pakhoi Areas.

Japanese General Killed By Guerrillas in Hopei

Lieut.-Gen. Norihide Abe was killed in action on Nov. 7 while commanding a detachment of Japanese troops in "mopping - up" operations near Shangchwangtze, 50 kilometers west of Ishien, northwestern Hopei, the War Office in Tokyo announced on Nov. 21.

A Chinese report on the General's death, carried by the Kuo Min agency in a dispatch from Loyang, said that Lieut.-Gen. Abe personally led a detachment to the aid of three other detachments which, outmaneuvered by Chinese guerrillas in mountainous country, had been practically wiped out. The guerrillas surrounded Abe's force, most of whom, including the General himself, were slaughtered after they had vainly attempted to fight their way out of the encircling enemy line.

Comintern Youth Told to Abandon Anti-fascist Stand

The "party line" for the Communist International Youth Organization has undergone a change in accordance with the Stalinazi pact, according to directives given in Stalin's *Pravda* and cabled to Shanghai by the *Transocean* agency on Nov. 20.

Principles of the youth organization are to be adapted to the new policy of the Comintern, it is stated, and this means: Firstly, the entire agitation of the organization is switched over from anti-fascism to anti-capitalism and anti - imperialism (which accords exactly with Hitler's program), while secondly the methodology of the popular front is to be abandoned and an "unrelenting campaign" launched against the Socialist leaders.

Shanghai Workers' Living Costs Show Decline

For the first time in the ten months since December last year, the cost of living index of Shanghai workers began to show a decline in October, according to the monthly report of the Industrial Section of the S.M.C. The index fell to 248.22, dropping by 12.36% as compared with 283.23 in September. In the meantime, the purchasing power of the dollar came up to $0.4029 of its 1936 value. Among the group indices, fuel and light declined by 21.78% as compared with the preceding month, and food by 8.98%, while clothing and miscellaneous groups rose by 10.20% and 5.61% respectively.

The decline in prices may be attributed to several causes. The European war, which was one of the chief factors in forcing up prices in the previous month, does not seem to have set limits on imports to the extent feared. The exchange market has been eased with the Chinese dollar improving gradually. Then, hoarders are forced to sell in view of the present circumstances. Lastly, a fall in the price of rice tends to lower prices in general.

The fall in the price of rice was due chiefly to the good harvest in most of the rice-producing districts. Transportation from the various districts to the port has also been facilitated. As a result, non-glutinous rice declined in price by 8.58% as compared with the September quotation, Sien rice by 16.98%, and glutinous rice by 3.32%.

Investigation of Soviet Envoy Demanded in N. Y.

A demand that the State Department investigate an allegation by Walter G. Krivitsky, former head of the Soviet Military Intelligence Service in Western Europe, that M. Constantin Umansky, present Soviet Ambassador in Washington, was a former agent of the G.P.U. or Soviet Secret Service, was endorsed by a meeting of 4,000 trade unionists, socialists and liberals in New York City on Nov. 13, according to a *United Press* dispatch.

The demand was put forward by Louis Waldman, Socialist chairman of the meeting, who declared that if the allegation were true Umansky should be declared *persona non grata*, recalled immediately and an acceptable Soviet ambassador sent to Washington.

Krivitsky made his allegation in an article in the *Saturday Evening Post*, one of a series in which the former Soviet espionage agent has been exposing the machinations of the Stalin Government. Krivitsky is a fugitive from Stalin's "justice" and is living in the United States on a temporary permit.

Lun Chong Cotton Mill Strike Finally Settled

Ending one the longest labor disputes in the history of Shanghai, the Lun Chong Cotton Mill strike, affecting some 3,000 Chinese employees of the British firm, reportedly came to an end on Nov. 17 when an amicable settlement was reached between representives of the workers and the management. It is understood that mediatory roles in the dispute were played by the Japanese military, naval and consular authorities and by local British officials, although earlier in the strike obstructive tactics were employed by the Japanese in line with the intense anti-British agitation being conducted at that time.

The outstanding incident in the strike was the fatal wounding of a British employee of the company, R. J. Tinkler, on June 1. Tinkler was stabbed with bayonets by Japanese marines and died in hospital. The incident occurred at the company's plant, which is in Pootung.

It is believed that some time will be required in which to make the plant ready for full operation, so that the full labor complement of 3,000 will not be reabsorbed immediately.

Cost of Living in Chungking Up 236%

The cost of living in Chungking has increased by 236 per cent in two years and three months since the outbreak of the Sino-Japanese hostilities, according to the price index compiled by the Southwestern Industrial Research Bureau.

The rise in the prices of commodities followed the transfer of the national capital from Nanking to the Szechwan city and the subsequent great influx as a result of the withdrawal of Chinese forces from the Shanghai and Nanking areas. It reached dramatic proportions by July, 1938, when the cost of living registered an average increase of 61 per cent.

The upward trend during the second year of the war, however, was even greater and more dramatic. The prices of a majority of the commodities were more than doubled by July, 1939, while quite a number of articles were sold at prices six or seven times their pre-war prices. The outbreak of the European war gave another impetus to the upturn of the prices of certain commodities. Lack of transportation is another cause for the upturn.

Idle Japanese Machinery Purchased by Manchukuo

Japan and Manchukuo have concluded an agreement whereby the machinery of certain idle plans in Japan shall be sold to Manchukuo, according to a *Transocean* dispatch from Hsinking this week. The agreement, it was stated, is designed to furnish Manchukuo with industrial equipment which cannot now be obtained elsewhere owing to difficulties created by the European war. A Manchukuo commission went to Japan in July, the report said, and after thorough investigation selected the machinery of 28 Japanese plants, which will now be sent to Mukden and Anshan at the expense of the Japanese Colonial Ministry. Some of the workers formerly employed in the plants will be shipped to Manchukuo as well.

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Two Japanese Subjects are Slain in Shanghai as Wave of Killing Mounts

VARYING a record stretching over many months in which "puppet" employees of the Japanese have met violent deaths in Shanghai at the hands of single killers or bands of assassins, gunmen in the Yangtszepoo district shot and killed a Japanese subject, Kunijiro Asahino, at dusk last Sunday. The victim, 30 years of age and a native of Osaka, was a middleman engaged in the silk cocoon business, and the killers, it was stated, were Chinese.

The attack took place near 21, Tongshan Road, where the late Mr. Asahina lived. He died instantaneously as a bullet entered his cheek and emerged from his back. Due to the darkness and lack of witnesses in the immediate vicinity (the district is still largely deserted) details of the murder could not be obtained, although it was understood that three Chinese took part in the murder, killing their victim as he rode in a ricsha.

Cocoon Monopoly Link?

It is believed not unlikely that the murder was connected with Japanese attempts to monopolize the purchase of silk cocoons in the Shanghai-Wusih area, since Chinese known to have been working with the Japanese in this matter have lately been killed in Shanghai.

On Wednesday of last week, Kinji Sato, 32, proprietor of the Sato Taxi Garage and of a rice shop on East Paohsing Road in Hongkew, was slain by gunmen near Hungjao Village and his body thrown into a creek. This murder followed closely upon that of a Chinese chauffeur, Chao Tsan-hsing, employee of a Japanese garage on Woosung Road operated by the Shinko Taxi Company, who disappeared Nov. 13 and whose slashed and bullet-pierced body was found under a bridge spanning a creek along Kano Street in the Civic Center district in Kiangwan. The body of the chauffeur was discovered after his blood-stained taxi had been found abandoned near the Race Course, in the International Settlement.

According to the Shanghai *Mainichi*, Mr. Sato set out on the morning of Nov. 15 with three trucks to buy rice in Hungjao Village. As the empty trucks were being driven along Hungjao Road, with Mr. Sato sitting alongside the driver in the second truck, four Chinese armed with military Mausers halted the vehicles. They dragged Mr. Sato from the truck, knocked him unconscious with a pistol butt and then dragged him away. The drivers reported the attack to the headquarters of the Japanese garrison in the Western District and a search party was sent out. They discovered Mr. Sato's body, bruised and trussed, in a creek outside Hungjao Village the following afternoon.

Rewards For Arrest

Handsome rewards for the apprehension of the men who held up puppet "Reformed Government" officials on Oct. 31, killed one of them and stole a $100,000 payroll, have been offered by the puppet Chekiang Provincial Government, the Japanese Army organ *Sin Shun Pao* reported last week. The victimized officials were proceeding in a car to North Station to transport the payroll to Hangchow when they were held up at the corner of Avenue and Carter Roads in the International Settlement. For the arrest of the bandits with their booty, a reward of $10,000 has been offered, while anyone supplying information leading to their arrest will be paid $5,000.

Lieut.-Gen. Susumu Fujita, newly-appointed commander of Japanese forces in the Shanghai area, asserted on Nov. 15 that secret organs of the Chungking regime still remained in the International Settlement and French Concession and were perpetrating acts hostile to Japan. This situation, he said, was causing much concern to the Japanese authorities.

While the Shanghai Municipal Council was reported to be considering counter-proposals by Mayor Fu Siao-en of the Shanghai "Special Municipality" with regard to the policing of the Outside Roads in the Western District, the Shanghai *Mainichi* reported on Nov. 15 that the Special Branch (Political) of the Shanghai Municipal Police had been converted into a "Japanese Section" to meet the need for collecting information regarding anti-Japanese activities and to facilitate connections with the Japanese authorities. No other source reported this "conversion."

Another Police Incident

Another incident occurred in the Western District last Sunday, Nov. 19, when Probationary Sergeant Egeberg, Danish, attached to the Pootoo Road Police Station, was taken into custody by a Japanese military patrol shortly after 12.30 p.m., together with four Chinese constables of the S.M.P. Egeberg was in charge of a search party on Robison Road when he and his Chinese confreres were nabbed. The trouble reportedly occurred when he halted a Chinese who happened to be a member of Mayor Fu Siao - en's administration, and fired a shot in the air when the latter tried to evade search and escape. After being held for five hours, Egeberg was released but the Chinese constables were detained longer.

A racket involving the theft of coal to the value of more than $500,000 was uncovered in Shanghai last week when an alleged receiver faced trial in the Second Special District Court. Firms said to have been victimized are the Kailan Mining Administration (British), Shanghai Power Company (American) and the Mitsui Bussan Kaisha (Japanese, and famous for its own robberies of eggs from American and British firms), the Nee Tai Shing Coal Hong and one or two smaller concerns importing coal into Shanghai.

8,000 Tons Stolen

Eight suspects were rounded up by the local police, but seven were believed to be small fry concerned only with actual thefts of coal from various places and not with the distribution of the stolen fuel. No less than 8,000 tons of coal are alleged to have been stolen in the past few months. The coal was sold to retailers at from $20 to $50 per ton cheaper than the market price, depending upon grade, but retail shops who took the stolen fuel maintained selling prices at around $100 a ton.

Shortly before midnight on Nov. 15, seventeen men burgled a British godown on Myburgh Road and stole 52 lead ingots and cash to a total value of $8,000. Smart work by Settlement police led to the arrest of the gang a few hours later.

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Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of the Review.

November 1

Rumors of Sino-Japanese peace circulated in London strongly denied in Chungking. "There is not the slightest sign of any desire for peace in Chungking, either on the part of the Government or the public," Chinese spokesmen asserted.

Tokyo also denied peace reports. Y. Suma, Japanese Foreign Office spokesman, declared no peace negotiations were being conducted between Tokyo and Chungking. He asserted that Japan would not deal with Chungking, but would support the new "central government" to be formed by Wang Ching-wei.

The Japanese report that Hollington K. Tong, vice-Minister of Publicity of the Central Publicity Council, was in Shanghai with a large sum of money to bride newspapermen to support Gen. Chiang Kai-shek, ridiculed in Chungking. Tong seen daily in the wartime capital.

Wang Ching-wei paid formal call on Vice-Admiral K. Oikawa, Commander-in-Chief of the Japanese naval forces in China. On the previous day, Wang went to Nanking and paid his official visit to Gen. J. Nishio, Commander-in-Chief of the Japanese Army Forces in China.

Gen. Li Ping-hsien, well-known Kwangsi leader, appointed chairman of Anhwei, succeeding the late Gen. Liao Luai.

Five million peasants in Hopei rendered homeless as a result of floods caused by the cutting of dykes by the Japanese in an attempt to drown Chinese guerrillas. More than 600 villages inundated in 12 districts (Hsien).

Dr. W. W. Yen, China's chief delegate to the conference of the Institute of Pacific Relations, arrived at Washington.

⁂

November 2

Immediate **de facto** recognition, non-interference in Chinese domestic politics, and formation of a Sino-Japanese economic council to bring about closer economic union between Japan, "Manchukuo" and China, said main items of Japan's policy towards the new Chinese regime expected to be established shortly by Wang Ching-wei, according to Tokyo **Asahi Shimbun.**

Dr. W. W. Yen said at Washington that he did not believe the new world realignments, including the Soviet-German partenership and the threat of a Soviet-Japanese reaprochement, would impair China's position in its war against Japan.

Abbot Yuen Ying, president of the Chinese Buddhist Association, allegedly kidnapped by the Japanese in Shanghai, reported to have been sent to Nanking, where he was offered the post of chairman of the Sino-Japanese Buddhist Association.

Prince Sha of Inner Mongolia denounced Wang Ching-wei and demanded his execution. Wang charged with selling out the Mongols to the Japanese.

Proposals by the Shanghai Municipal Council for a temporary settlement of the issues involving the outside roads areas said submitted to "mayor" Fu Siao-en of the Japanese-controlled Shanghai Municipality.

⁂

November 3

Severe fighting again broke out in Central China, on the northern bank of the Yangtse, where Japanese forces were launching a vigorous offensive directed at two points, Sinyang (in southern Honan) Chienchiang (on the west bank of the Han River).

Soviet Embassy at Chungking denied that the Soviet Ambassador, Alexander Panaouchkine, would soon leave for Shanghai to confer with the Soviet envoy to Japan, M. Constantin Smetanin as asserted in Japanese reports.

The St. Luke's Hospital (British-owned but run by American staff) at Putein in Fukien hit and damaged during Japanese air raid on that city yesterday. Two patients killed.

⁂

November 4

Four Japanese planes shot down by Chinese pursuit craft over Chengtu, capital of Szechwan, which was raided by a squadron of 54 Japanese bombers.

Dr. W. W. Yen, now visiting in Washington, called on President Roosevelt and Secretary Cordell Hull. Call said "private and social."

Ma Hsiang-pai, China's grand old man, died at the age of 101 at Liangshan, French Indo-China. The late Mr. Ma was a scholar, author, former government official, and founder of the Aurora and Fuhtan Universities in Shinghai.

Wang Ching-wei, proposed head of the Japanese-sponsored new "central government of China," said again meeting difficulties. Wang reportedly visited Tokyo on Nov. 2 and conferred with Japanese army leaders.

The Seventh session of the "Joint Commission" of the Peiping and Nanking regimes, scheduled to be held at Tsingtao Nov. 8 to Nov. 10, to discuss the formation of the projected central regime, again postponed.

Ho Pei-yung, former Chinese militarist, installed as puppet governor of Hupeh Province (yesterday).

⁂

November 5

Severs fighting renewed in west Shansi, as Japanese forces attempting to clear up the Chinese troops operating in that area.

Following the failure of their drive in north Hunan, Japanese forces are launching another drive west of Hupeh with the object of capturing Ichang. Heavy fighting raging in the lower reaches of the Han River during the past few days.

Japanese aircraft extensively bombed cities in Kwangsi and Hunan provinces, among which was Lungchow, near the Kwangsi-French Indo-China border, north of Chengnankwan.

⁂

November 6

Three Japanese bombers shot down at Chengtu, Szechwan capital, during the Japanese raid on that city on Nov. 4, according to announcement by Chinese aviation authorities.

Chungking officially denied Japanese rumors, alleging that the Government is contemplating military action against Gen. Lung Yun, chairman of Yunnan, in order to oust him from that province.

⁂

November 7

Order issued by Nanking "Reformed Government" banning the importation of Chinese national currency into Shanghai. Move said following failure of attempted detention of $10,000,000 cash which

Who's Who in China

Walter Hanming Chen, journalist, born and educated in New South Wales, Australia; member, editorial department, *North-China Daily News*, 1918-1937; toured Malaya and Philippines in China's cause in 1937; formerly adviser to offices of Prime Minister, Minister of Navy; etc; appointed Commissioner for Suppression of Opium in 1925 and, in 1926, president of the Shanghai Provisional Court, but declined to take up either post; past director, Shanghai Chinese Y.M.C.A., Christian Literature Society, National Road Construction Assn., Greyhound Racing Assn; now Editor, *Hongkong Daily News*, and Editor and Publisher, *Far Eastern Economic & Commercial Journal*, Hongkong; director and hon. general secretary, South China Athletic Assn.; Councillor, Hongkong Football Assn.; member, Hongkong Recreation Grounds Committee; director, Sino-American Cultural Relations Institute; director, Shumchun Rural Welfare Centre; director, Yeung Chung Girls' College; author of several books and pamphlets, including "New Life Movement in China;" address: 1st Floor, Wing On Bank Bldg., 26 Des Voeux Road C., Hongkong.

陳 漢 明
Walter Hanming Chen

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arrived in city from Hongkong the previous day.

United States action against Japan seen after the expiration of the abrogated Japanese-American treaty of 1911 on January 28 next year. Senator Key Pittmon, chairman of the Senate Foreign Relations Committee predicted (yesterday) that the January session of Congress would authorise economic pressure against Japan to halt anti-American actions in Japanese-occupied areas of China. He said he himself would press for a resolution authorizing President Roosevelt to declare an embargo against shipment of vital war supplies and raw materials to Japan.

Japanese forces launch furious attacks on the Hupeh front in an effort to make Hankow safe from Chinese air-bombing. Severe fighting also progressing in south Shansi, where the Japanese said making new attempts to cross the Yellow River. Tungkwan, Shensi city on the Lunghai Railway, heavily shelled by Japanese artillery since November 1.

Blockade of Tientsin Blamed on the U.S.A.

The Japanese blockade of the British and French Concessions in Tientsin, forced off the front pages of the world press by the momentous happenings in Europe, came back into the news on Nov. 18 when Maj.-Gen. Masaharu Homma, Commander of the Japanese garrison in Tientsin, announced that the isolation of the two large sections of the city would continue "until a satisfactory solution of pending questions is achieved. He failed to indicate, however, what would be considered a "satisfactory solution."

Introducing a new note into this controversial issue, Gen. Homma blamed the United States for continuance of the blockade. "Had America not resorted to such an unfriendly act as denouncing the 1911 Treaty of Commerce and Navigation with Japan, examinations and searchings might have ceased three months ago," he said.

Washington's action, he declared further, had caused the British to change their attitude towards Japan and led to a breakdown of the Anglo-Japanese parleys in Tokyo, which, he asserted, had been proceeding smoothly up to that time.

Gen. Homma welcomed the British and French decisions to withdraw most of the Anglo-French garrison forces from Tientsin, because in his opinion it would reduce the friction between those countries and Japan. In Chungking, the decision to withdraw the troops was generally interpreted as a further British retreat before Japanese demands. Some Chinese newspapers voiced the fear that the British Government might make a comprehensive deal with Japan at China's expense.

City in Peru Votes to End Nippon Goods Quota

Having voted the abolition of the quota on Japanese imported goods, the Chamber of Commerce at Arequipa, a city in southern Peru, has appealed to the Lima Chamber of Commerce for sanction of the removal of the restriction, according to a *Domei* report. The Arequipa chamber's action was said to have been taken in order to obtain an abundance of Japanese goods in view of the suspension of importations of European goods since the outbreak of the European war.

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Men and Events

Lloyd "Pat" Patterson, once manager of the Little Club, a well-known dancing place in Shanghai, but later involved in forgeries here and elsewhere, was arrested on Nov. 16 after a search by officials of the Federal Bureau of Investigation, extending over several years. According to a dispatch from Washington, Patterson, after his discharge from Federal Penitentiary where he was sent following conviction in the U. S. Court for China here, had changed his name to Nils Larsen and had become involved in irregularities in various parts of the United States.

*

Dr. John Earl Baker, executive secretary of the China International Famine Relief Commission, departed aboard the President Coolidge on Tuesday of this week for the United States. He was accompanied by Mrs. Baker and they plan to remain in the United States for several months. Dr. Baker came to China twenty-three years ago as adviser to the Ministry of Communications of the old Peking Government. He assisted the Chinese in modernizing railway accounting and establishing accounting systems which were adopted by all the Chinese lines and were in use until the Japanese invaded the country in 1937 and seized the railways. In 1930 Dr. Baker joined the National Government at Nanking and later was transferred to the Central Trust of China and the Ministry of Finance. Recently he has had charge of the distribution of relief on behalf of the American Red Cross, Church Relief and other bodies.

•

M. Romanoff, Soviet press attache at the Soviet Embassy in Chungking, has been recalled to Moscow and M. Barishnikoff has been appointed in his place. M. Rogoff, correspondent for the official *Tass* news agency at Chungking, who was transferred to Hongkong, has been succeeded by M. Yakshamin. The Soviet Ambassador, Alexandre Semionovitch Panaouchkine, is now the only ambassador in Chungking since the departure of the American Ambassador, Nelson T. Johnson.

*

Dr. A. V. Marshad-Marsh, well-known Russian physician in Shanghai, has just returned from a three months trip to the United States where he visited his son and married daughter who have resided in America for some time. In an interview published upon his return to Shanghai, Dr. Marshad-Marsh said that his son, who went to the United States in 1920, had worked in lumber camps and fish canneries in Alaska, but is now a sculptor, specializing in statuettes. In referring to conditions in the United States he said, "Americans do not realize they should get on their knees and kiss the benevolent ground on which they live....even poverty in America is, from our standpoint and standards, representative of a certain sufficiency."

Miss Lee Ya-ching, Chinese aviatrix who went to the United States two years ago to assist in raising funds for war relief in China, has made good in Hollywood and will take a leading part in "Disputed Passage," a new film now in production. The picture is being made by Paramount and Miss Lee will appear with Paramount's star, Dorothy Lamour, who wears Chinese clothes. As indicated by the picture, she is dressed, or rather wrapped, in a sarong. Miss Lee is a Cantonese and came to Shanghai originally as a movie actress. She was married—for a time—to a nephew of Miss Soumay Tcheng, well-known political leader, but later divorced him. She became interested in aviation and went to the United States where she studied in a well-known aviation school. While in Shanghai in 1936 she assisted in demonstrating planes which were donated to the Government by local Chinese organizations. She went to the United States early in 1938 with Miss Hilda Yen, daughter of Dr. F. C. Yen of the National Health Administration, and assisted in a campaign for raising relief funds. While in Hollywood she was given a screen test and as a result of her success was given a part in "Disputed Passage."

In Hollywood

Miss Lee Ya-ching

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As a result of a raid conducted by police of the International Settlement on a house in Connaught Road, within the "badlands" area, more than 100,000 imitation "Ruby Queen" cigarettes were seized. The brand is one of the best known of the British-American Tobacco Company, and while nothing was said in the report in the local newspapers, it was rumored that the promoter of the spurious cigarette factory was a Japanese. According to testimony in the First Special District Court on Thursday of last week, nine Chinese who claimed to be salesmen of the fake "Ruby Queens" were arrested in the raid. They claimed large quantities of the imitations had been sold in the interior in Japanese-occupied territory. One of the salesmen testified that a quantity of the fake brand cigarettes was sold in the interior at prices ranging from $275 to $350, whereas genuine cigarettes made by the B. A. T. would sell for $600.

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Dr. Cheng Ching-yu, a noted Chinese Christian leader, died at the Lester Hospital in Shanghai on Wednesday night, Nov. 15. He was 59 years old. Dr. Cheng was born at Peiping and was the son of a Christian preacher. After graduation from the London Missionary School in Tientsin he went to England where he assisted in the revision and translation of the New Testament. Upon his return to Peking he served as pastor of Chinese churches and was active in Christian mission work. He served as secretary of the National Christian Council and in 1934 was elected general secretary of the General Assembly of the Church of Christ in China, an organization embracing 16 Christian organizations. After the outbreak of the war he assisted in refugee relief at Kweiyang, in Kwangsi, Yunnan and elsewhere. He was the recipient of honorary degrees from several foreign schools, including College of Toronto and Wooster College.

Deceased

Dr. Cheng Ching-yu

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G. M. Pisareysky, employed for several years by the American Securities Corporation, was thrown from his horse while riding in the Hungjao district on Thursday morning, Nov. 16, and was killed. He was 39 years of age. Mr. Pisareysky came to Shanghai from Siberia and became well-known in the foreign business community. He is survived by his widow. Funeral service was held on Friday afternoon, Nov. 17 with burial at the Jewish cemetery on Baikal Road. Rabbi Ashkenazi officiated at the burial service.

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A further group of American teachers has arrived in Japan on an "all-expenses-paid" grand tour of Japan, Manchukuo and North China. The group includes Curtis A. Manchester, University of Michigan; Ben Norris, University of Hawaii; E. Thomas Planer, Jr., Tremont High School, Oakland, Cal.; Dr. H. Irving Weitzel, Pasadena Junior College, California. The group is being shown about Japan by the Bureau of Tourist Industry. The expenses of the group are defrayed by the Railway Bureau, Board of Tourist Industry and Cultural Bureau of the Foreign Office.

The Latvian community in Shanghai, which numbers some 300 persons, celebrated the 21st anniversary of Latvia's independence this week. The celebration included a religious service at the German Evangelical Church and the exhibition of a Latvian sound film. Chief address was delivered by the Rev. J. Drizulus of Harbin who came to Shanghai for the occasion.

•

Leslie Hore-Belisha, British Secretary of State for War, announced in the House of Commons on Nov. 14 that it was not desirable for the wives and families of military men to go to stations in the Mediterranean area and in the Far East, owing to the war situation. The ruling was announced following rejection by the War Department of the application of Miss Joan Richardson to proceed to Singapore in order to marry Lieut. D. E. D. Morris.

•

The China Motion Picture Company at Chungking, has announced its intention of producing in picture form the book, "Secret Agent of Japan," which was written by Amleto Vespa, an Italian who served for many years as an adviser to Marshal Chang Hsueh-liang in Manchuria and later was forced to serve in a similar capacity with the Japanese. He succeeded in escaping from Manchuria after the beginning of the Sino-Japanese hostilities in 1937 and came to Shanghai where he wrote his book exposing Japanese atrocities in Manchuria. Mr. Vespa and his wife and children are now in the United States.

The U. S. S. Minelayer Pigeon, which was damaged in a typhoon in Tsingtao harbor last summer, was towed to Shanghai last week and is now being repaired at the Yangtszepoo Dock. The ship was towed here by the Minelayer U. S. S. Finch. Repairs will require about a month.

•

Eighteen suspects appeared in First Special District Court on Nov. 16 charged with stealing $7,000 worth of lead ingots from the warehouse of the China Import and Export Lumber Company in Yangtszepoo. The suspects, one a woman, were arrested on Canton Road. Another, a chauffeur who drives a truck for the Ta Hua Transport Company on Avenue Edward VII, informed the police that the stolen property was concealed on Peking Road, where it was recovered.

•

Frank P. Lockhart, Counsellor of Embassy at Peiping, arrived in Shanghai last week and will remain here in charge of the U. S. Consulate-General in the absence of Clarence E. Gauss, who has gone to Manila. Mr. Lockhart, who is a native of the state of Texas and was the editor of a newspaper at the age of 19, has had extensive experience in the U.S. consular and diplomatic services. He joined the Far Eastern Division of the Department of State in 1914 and after serving as an expert attached to the American delegation to the Washington Conference, he became chief of the Far Eastern Division. He has served in Consular positions at Hankow and Tientsin and has been Counsellor of Embassy at Peiping since 1935.

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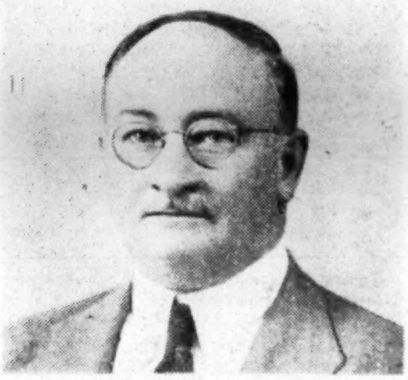
INTERNATIONAL DISPENSARY
AND BRANCHES

Dr. Esson M. Gale, for many years connected with the Chinese salt revenue administration, has retired and departed from Shanghai on the President Coolidge this week. Dr. Gale will return to his native state of Michigan and will reside in Bay City. After graduation from the University of Michigan and special study in Europe, Dr. Gale received an appointment to the class in Chinese Studies at the American Legation in Peiping. After service in the U. S. Consulate-General at Shanghai, he was appointed adviser and administrator in the Salt Revenue Department of the Ministry of Finance and served at various posts in Central China and Manchuria. He returned to the United States in 1927 to become lecturer in Chinese history and civilization at the University of Michigan, following which he became chairman of the department of Oriental Languages at University of California. He returned to China in 1932 to rejoin the Salt Administration headquarters in Shanghai and remained here until the early stages of the Sino-Japanese conflict when he again went to the United States. Dr. Gale has written numerous treatises on Chinese art, scientific, commercial and industrial subjects and has lectured at various universities, including the University of Leydon. He has also translated numerous Chinese works into the English language. He has attended numerous conferences dealing with Chinese affairs and relations and is a member of various organizations concerned with Chinese and Oriental affairs.

Retiring



Dr. Esson M. Gale

Inside Information.

The average person has a very hazy idea of the working of his internal organs and, as a rule, pays little attention to them until something goes wrong. When you receive 'inside' information in the form of such symptoms as constipation, bilious attacks, sick headaches, bad taste in the mouth, dizziness, foul breath, it is positive evidence that your need is Pinkettes, the dainty little laxative liver regulators which act as gently as nature.

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The Rotary Clubs in Japan have agreed to join with those in the Philippines, Hawaii, China and Guam in supporting Carlos P. Romulo of Manila for President of International Rotary. Mr. Romulo is a newspaper publisher. The Japanese clubs originally supported their own representative, T. Yoneyama, but he was forced to withdraw due to illness.

*

The French Ambassador to China, M. Henri Cosme, who has been in Hongkong for some time, held a conference with Nelson T. Johnson, American Ambassador, who arrived in Hongkong from Chungking on Nov. 16. Following the interview, M. Cosme departed for Saigon, French Indo-China and after a conference with officials there, he will proceed to Chungking.

*

The sum of $50,000,000 will be required to rebuild and reconstruct Tientsin, following the recent floods, according to a report from Peiping on Nov. 18. The report stated that an engineering bureau will be established in Tientsin and Tangku to superintend construction and that five years will be required to complete the job. Nothing was said in the report (*Reuters*) as to what interests would have charge of the reconstruction projects, but since the Japanese Army is in control of the entire area, it is suspected the report originated with the Japanese Asia Development Board and is to be classed with numerous other Japanese paper projects which will be carried out "if someone will advance a loan for the purpose."

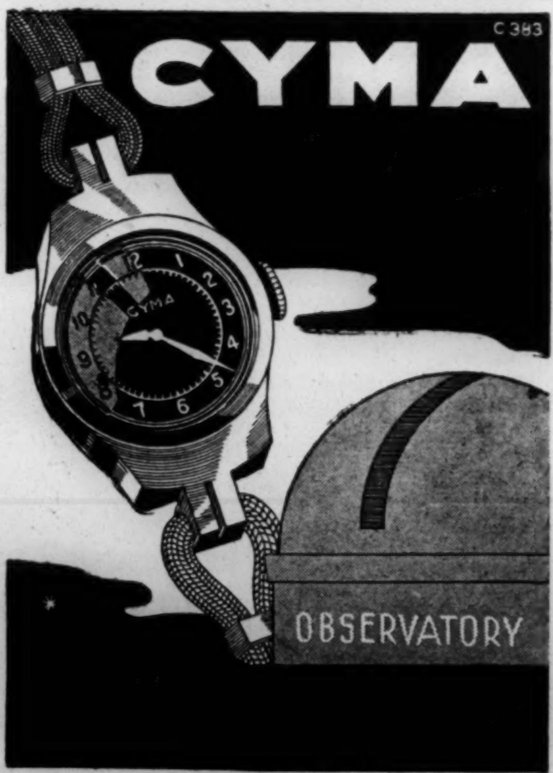
Major Arthur Bassett, who recently returned, with Mrs. Bassett, from a trip to the United States, was the guest of honor and speaker at a special luncheon of the American University Club on Tuesday, Nov. 21, his subject being "What I saw, heard and did in the United States." The luncheon was held at the American Club. Major Bassett's talk was largely concerned with the American Legion Convention in Chicago which he attended as a delegate from the Legion post in Shanghai.

*

A Japanese sailor on the whaler Kyo Maru, at Kobe, was killed in a peculiar accident last week. He was shot through the chest by a harpoon fired from a whale-gun. The chief harpoon gunner on the whaler had been repairing the gun and unwittingly left it loaded with the harpoon in firing position. A sailor, Takeyata Yamamoto, not knowing the gun was loaded, pulled the trigger and fired the heavy harpoon used in killing whales, directly through the chest of another sailor. The chief gunner, Wakitani, was fined Y.100 for negligence.

*

A charitable organization maintained by the German community in Shanghai, has asked for donations for the purpose of assisting the crews of German ships who were stranded in Chinese ports in consequence of the war situation. A notice in the German paper, *Ostasiatischer Lloyd*, requested that donations be sent to Frau P. Stark, Auslandsdautche Frauenschaft, 3 Great Western Road, or to Pg. W. Pflug, 226 Nanking Road.



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William E. Yuni, member of the staff of the American Consulate-General at Kobe, has been transferred to Tientsin.

•

Col. and Mrs. Isaac Newel, well-known residents of Peiping, who are now at their summer residence at Sea Island, Georgia, will not return to China this winter.

•

The members of the Council of the Royal Asiatic Society will be hosts at a reception for members of the Society from 5 to 7:30 p.m. Thursday, Dec. 7, at Wu Lien Teh Hall, 20 Museum Road.

•

The Japanese military authorities in Canton, on Nov. 16, confiscated all copies of the British Hongkong English language papers, the *South China Morning Post* and *Hongkong Telegraph*. No reason was given.

•

According to the *Chinese-American Daily News*, there are now some 3,000 armed Ta Tao police stationed in the so-called "badlands" area. A branch Ta Tao police station is shortly to be established on Jessfield Road.

•

The following illuminating news item appeared in the Tokyo *Asahi* on Nov. 13: "Lieutenant-Colonel Hara was killed in an air crash while engaged in bombing in China." The dispatch was headed, "From an undisclosed base."

•

K. Fukuda, Managing Editor of the *Miyako Shimbun*, one of the leading newspapers of Tokyo, has returned to Japan from a trip to Shanghai, Hongkong and Manila. Mr. Fukuda is a graduate of Dartmouth and a former student at the University of Missouri.

•

Manuel Quezon, President of the Philippine Commonwealth, will depart on December 12 on a month's tour of Java and Borneo. He will be accompanied by several members of his Cabinet and economic experts connected with the Government.

•

Troy L. Perkins, member of the staff of the American Consulate-General in Shanghai, will depart shortly to take charge of the Consulate at Kunming, Yunnan, in the absence of the Consul, Paul W. Meyer, who is going home on leave.

•

In order to test the quality of a sample of heroin, a Chinese woman dealer in the drug inhaled a small quantity, resulting in her death, according to testimony presented in the Second Special District Court on Nov. 11. A prospective customer of the woman, who had given her the sample to test, became frightened and allegedly paid the woman's family the sum of $900 to hush the matter up. The customer, named Chen Ah--keng, and three employees of the hospital where she died, were arrested. The dead woman, Mrs. Chen Ling-sze, had operated a narcotics shop for some time at House 4, Lane 94 Ave. Edward VII, French Concession. According to the testimony the customer, Chen, had complained about the drugs sold him and had requested the woman to test the quality of a sample purchased at another shop.

The Tokyo *Miyako Shimbun* created a sensation in Tokyo on Nov. 10 by printing a story to the effect that the head of a Chinese terrorist organization at Chungking had entered Tokyo. The report stated the metropolitan police were making a house-to-house search for the daring culprit.

•

Community Church of Shanghai has announced a series of concerts at the Church Auditorium, the first to be on Thursday evening, Nov. 30, at 9 o'clock. The program includes Trio Elegiaques Meditation and piano, violin, organ and cello numbers. The concert will be given by artists connected with the Pro Arte Chamber Music Association. Two-thirds of the proceeds from the sale of seats will be donated to the Lester Chinese Hospital.

•

Admiral Richard Byrd will depart shortly on another Antarctic expedition, this one to be fostered by the U. S. Government. The motorship North Star, the advance guard of the expedition, departed from Boston on Nov. 15. A chief object of the present expedition will be to establish official U. S. claims over lands which Admiral Byrd discovered and surveyed on previous expeditions. Admiral Byrd was the first man to fly over both the North and South Poles and also was one of the pioneers of Atlantic flights. The present expedition is the first which has been officially fostered by the U. S. Government in 100 years. Previous expeditions of Admiral Byrd to Antarctica were financed by private sources.

The former Japanese Consul-General at Vladivostock, Mr. Miyakawa, was quoted in the Tokyo *Hochi Shimbun* on Nov. 13, as stating that anti-Japanese sentiment among Russians was more pronounced at Vladivostock than elsewhere in Siberia although it prevailed generally throughout Siberia. He said that anti-Japanese posters appeared on walls throughout the city. However, some of the posters had been removed recently since the Russo-Japanese truce had been signed.

•

A *Reuter* dispatch from Peiping on Nov. 11 stated that the Medical College of the National University, an institution fostered by the Japanese Army, has announced its intention, beginning next semester, to use the Japanese language in the preparation of lecture notes. The reason for this decision, according to the authorities of the institution, was due to the "advanced state of Japanese science and Sino-Japanese cultural cooperation."

•

The Japanese Special Naval Landing Party, previously quartered in one of the Shanghai municipal school buildings at Range and Woosung Roads, has been moved to the Shanghai-Nanking and Shanghai-Hangchow-Ningpo Railway Administration building off Boundary Road at the Shanghai North Railway Station. The Hongkew Defense detachment of the Settlement Defense Force will occupy the premises vacated by the Japanese.

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New Books of Interest in the Far East

The Sino-Japanese Struggle

THE PEOPLE'S WAR—By I. Epstein. 1939, London, Victor Gollancz Ltd., Price 7/6d.

This one is propaganda. Unless you are familiar with many of the details of the war in China, you won't know the difference; it's well done. Most books written by foreigners on the Sino-Japanese hostilities are emotionally insipid and historically incorrect. This one is somewhat better.

Following China and her people from the outbreak of hostilities through the major campaigns of Shanghai, Hsuchow and Hankow down to the present period of transition, the author tries to give a picture of a nation at war with all that entails of political, economic and military struggle, partisan and guerrilla fighting, songs of wartime China, air raids and air raid victims, struggles between the Kuomintang and the Communist Party as a war is waged within the country itself to preserve the United Front, and so on. One reason for Mr. Epstein's failure is that *The People's War* contains a mass of misinformation (as well as information) that tends to build up a one-sided and hence not completely true picture.

Mr. Epstein is so busy purring over the joys of the United Front and apartment for two that he misses the honest glory and triumph, the misery and the degradation that is all about him.

As the title implies, the thesis of the book is "people's war." The author wastes no time, and in his opening sentence jumps to the kill: "China's modern history began when her common people first stood up and said: 'This land is ours!'"

With this rather schematic view of history, the author in a few broad strokes paints the picture of China from the Taiping Rebellion to the outbreak of fighting at Peiping. The review of the events at Peiping adds nothing to our knowledge of them, and, as Mr. Epstein himself admits, most of his material is taken from Mr. Shuhsi Hsu, a Chinese propagandist. The author declares that Chiang Kai-shek in his famous July 15 speech spoke the feelings of every Chinese, i.e., "fight to the bitter end," yet he ignores or is ignorant of the fact that the Nanking Government as late as July 25, 1937 issued instructions to Shanghai newspapers not to give Chiang's speech too much prominence to support their views, and not to "spoil" Feng Chih-an, then chairman of Hopei, and Chi Hsing-wen, the local commander at Lukouchiao, who seemingly were advocating resistance at the time, by "too much praise."

The author flatly calls Chang Tze-chung, then mayor of Tientsin, a "traitor," but gives no evidence other than local rumors for such a statement. Further, he says that General Chang slipped out of Peiping before the fall of the city, whereas, sad to say for Mr. Epstein's veracity, Chang was residing at the home of a well-known foreign resident when the city was deserted by Sung Cheh-yuan.

Catching up the thread of his theme of increasing resistance, the author recounts the birth of an army within and without the walls of Peiping. How this army, nursed by Madame Chao ("Mother of Guerrillas"), sprang from six people until now it numbers over 2,000 men, how they fought to rid themselves of bandits, how they almost broke up in despair—all this forms a saga of adventure, faith and courage, valuable historically and pyschologically.

Mr. Epstein's knowledge of the Shanghai hostilities seems to be no more nor less than that of others who have written about this phase of the war; in other words, nil. But instead of letting the matter rest there, he draws such a picture of all Shanghai rising up in its might, with help pouring out of the alleyways and lanes of the city from its 4,000,000 inhabitants, that we wonder how the Japanese could possibly have overcome them. Perhaps they didn't; maybe it's all a dream. We share the author's admiration for the Chinese soldier, but not his ignorant twisting of facts to make them a servant of this admiration. All the verbal testimony of such commanders as Sung Hsi-lien, Chang Chih-chung, Wang Ching-kiu and Ku Chih-tung notwithstanding, Mr. Epstein leads us to believe that the Chinese were on the defensive in August, 1937. If Mr. Epstein does not trust verbal testimony of actual participants, we refer him to the reprint of a lecture delivered by General Chen Cheng to the Officers Training Class at Wuchang on the morning of February 28, 1938. "Particulars of and Lessons to be Drawn from the Operations at Shanghai." ("....in order to remain on the offensive and with the object of wiping out the enemy troops at Shanghai, our forces commenced energetic attacks, with the 87th Division advancing from the left and the 88th Division from the right. At the beginning, our offensive was directed against Hongkew but later we turned our attacks toward the Kung Tah Cotton Mill.")

Mr. Epstein is a lost child when it comes to describing the military aspect of the Shanghai fighting. From him we learn that all the weapons of modern warfare were brought into play, a titanic struggle took place and the Chinese resisted bravely. That's all. How the battle was fought is not told. How brave the soldiers were Mr. Epstein does not show. Of all the filth, misery, suffering and heroic struggle—nothing. Such a conventional and vague picture only serves to dim the glory of the Chinese Army which Mr. Epstein, so engrossed with raving about the activities of cultural associations, will never know. However, we suspect the author was able to obtain written material about schoolboys and schoolgirls, teachers, intelligentsia and professional patriots that he was not able to get about soldiers and officers and battles. Frankly I object to this picture. You can't make blood out of water.

The author is on much firmer ground in his chapters on Nanking and Hankow. All the material here is valuable as a picture of the times.

The descriptions of the war-time capitals, the march of officials across the pages, the arguments between the Kuomintang and the Communist Party, the part played by foreign volunteers and foreign correspondents; the gloom at the fall of Nanking; the decision to fight on and the intensification of the national spirit all have the sad fragrance of nostalgia about them. The material is illuminated with a wealth of authentic detail.

Epstein's diatribes against the "reactionaries" favoring German political and military methods read rather amusingly in the light of recent events. Mr. Epstein, in those days—maybe he still does—seemed to think that anyone who said anything favorable about Germany was *ipso facto* a "traitor," a "reactionary," or perhaps just a "Trotzkyist." He seems to be (or is it "have been") a great and uncritical admirer of the United Front, the Kremlin, the Chinese Communist Party and the whole "party line."

Admiration for the Chinese Communists has led the author along the propagandist and mistaken way of Anna Louise Strong and others, and he, too, tries to attribute a change in Chinese Army tactics after the fall of Nanking to the 8th Route Army. There was no revolutionary change in the tactics of the Chinese Army after Nanking, but what little there was grew out of objective conditions and not solely out of the brains of the 8th Route army. Mr. Epstein's criticism of the German advisers is purely parlor pink tea table military talk. He does not know that the Germans were lecturing and writing about "mobile" warfare. We cannot criticize the author for not writing about something of which he is unaware, but we do criticize him for making bald statements which he does not know are true. He seems to believe anything the "Reds" tell him.

So engrossed is he with putting over his thesis of "people's war" that he tells us that the raw recruits thrown into the army after the fall of Nanking were far better than the professional soldiers — a patent misstatement which the author cannot support. The famous 88th Division, filled up with farmer lads who had only three months' training, broke and ran when next it got into battle on the Lunghai. Would the professional soldiers at Shanghai have done that? In the battle against Doihara the new 195th had to be pulled out of action and retrained because it couldn't stand up against artillery; the 46th, made over from the old Training Brigade, caused their commander to break down and weep at their inefficiency. These are weaknesses that Mr. Epstein doesn't know about because he has a very formalized and conventional idea of courage. All the author's evidence is against the evidence of her soldiers and commanders (yes, professional ones). All this doesn't detract from the glory of China; it only adds to it.

As a revelation of the author's ideas of tactics we have his description of the battle of Taierhchwang, but from this account we are still left in the dark as to how it was won. His description of the front, however, is worthwhile, as is his picture of Hsuchow and of propaganda and political methods. However, here again he not only distorts the facts to make his point of "people's resistance," but he resorts to out and out, perhaps unintentional, misstatements. Going into ecstasies over guerrilla warfare, he states Tsinan was recaptured, but Tsinan was *not* recaptured. He rightly praises the headquarters of Li Tsung-jen for the work they had done in organizing the people, but he would have us believe that the work had been completely successful; and this in face of the fact that almost every Chinese correspondent who returned from Hsuchow wrote bitter articles exhorting the government to remedy a defect which was handicapping resistance; and this also despite the fact that General Kuan Ling-chen, when his 52nd Army was surrounded on the retreat from Hsuchow, found it almost impossible to find a peasant or a farmer to lead the way on the small paths in the unfamiliar countryside. Epstein tries to prove that the loss of Hsuchow was not such a great blow because the Chinese left many troops behind purposely to prevent the Japanese from getting any benefit from the junction of the ends of the Tsinpu railway. In support of this, he says Generals Yu Hsueh-chung and Fan Sung-fu were left behind "in accordance with the plan for continuing the struggle in the 5th War Area." But this reviewer himself saw and talked with Yu Hsueh-chung in Hankow in the summer of 1938, and as for Fan Sung-fu, he took part in the battle for Hankow on the south side of the Yangtsze River, hundreds of miles from where the author claims he was. We are not quibbling with the author over minor details. The point is that his whole thesis of preconceived total resistance breaks down under these misstatements.

Following his story of Hsuchow, the author has four remarkable chapters on guerrillas, partisans and peoples' armies, with a mass of detail which we believe has never before been presented in book form. His story of the Border District of Hopei-Chahar-Shansi, taken largely from the correspondent of the *New China Daily News*, is the finest thing in the book. Not in spite of, but because the material is taken from Chinese sources, is it worthwhile. Here we have Chinese telling about their own struggles. The author answers some very pertinent questions about guerrillas. "Even if the people hated the Japanese, would they forever consent to have their fields become battlegrounds and their villages charred ruins? Was it not necessary for the people the gather their harvest and take their grain to market? Could the partisan areas withstand the economic pressure that the Japanese were able to exert through their control of the big cities? It was very well to give the peasants new rights, and to reduce their rent payments—but would this compensate them for severance from their markets, and the disorder, famine, and ruin which usually attend constant warfare?"

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Mr. Epstein's answer is that the Border Government realized that it would-have to fight the invaders not only militarily, but economically and politically, and in answer to the puppet state they gave the people democracy on the basis of the United Front. The struggles of these areas of partisan government operating within the shadow of the Japanese armies is traced from their inception to their present consolidation. We believe that both the Japanese Army and the Chinese Government could find worthwhile reading material in these pages.

Mr. Epstein's story of the Hankow operations is very sloppy and contains no material of interest or importance. He is back at his old habit of making questionable statements when he flatly says without supporting evidence that the commander of the Matang forts was away feasting in Kiukiang when the forts fell. He describes this as a throwback to warlordism. Perhaps the author might be interested to know that the fall of the Matang forts involved some of the highest officers in the Chinese Army and that the discussion of the affair even today is shunned because of the consequences it might have.

Epstein says that the Chinese government was not shaken to its foundations by the battle of Hsuchow, but that the Japanese Government was. This does not square very well with the quick advance of the Japanese up the Yangtsze. The author attributes the loss of Hankow to "Munich." The reasoning is: because of "Munich" Japan dared to attack Canton; because Canton fell, Hankow fell. A nice theory, but not at all in accordance with the military facts. Hankow was doomed after the loss of the Tienchiachen forts and the cutting of the Peiping-Hankow Railway. Back to his old theme of people's resistance, the author takes us to Canton to show us the strength of the 300,000 militia trained in Kwangtung during the war. Mr. Epstein's appraisal of the strength of this force and his reasons for the fall of Canton don't quite click together. However his reasoning in this section of the book is quite persuasive.

In his final chapters of "Transition" and "China Marches On," an attempt is made to face some very relevant questions. What about Communism? What about democracy? What about the People's Livelihood? What about the future of China? We have not the space to go into the validity of the author's conclusions. In general, he believes that China in the realm of democracy has made big strides since the start of the war and that she is internally and externally better fitted to cope with the Japanese than ever before.

In the light of conditions existing in many parts of the country, Mr. Epstein's statement that "freedom of speech, Press, and assembly have been recognized as the right of every shade of political opinion that does not oppose the war" and that "Every anti-Japanese party can openly exist and propagate its viewpoint," sounds rather curious. Perhaps Mr. Epstein might like to know that the very good friend whom he so rightly praises in his book for his efforts to organize patriotic mass singing was last seen by this reviewer languishing under arrest. Mr. Epstein's friend unfortunately had a great deal of leisure for thinking, and he was not, as Mr. Epstein was when he wrote this book in Hongkong, purring along so contentedly on the lovely wishbone of the United Front.

We have discussed this book at great length and pointed out what we consider its faults (we have mentioned only a few of many mistakes and misstatements), and we have done so only because we thought it deserved a serious appraisal. This is the only book we have seen that carries even a faint breath of the spirit that is "China at War." For this the author is to be congratulated.

The chief value of *The People's War* lies in its collection in correlated form of well-written and ably-presented material hitherto unavailable in one volume. If you can afford only one book on the China war, we advise you to buy this one or wait till a better one appears.

The chief fault of the book—enough to damn its value as a historical study—is the author's attempt to build up a thesis on a foundation of half-truths and tendentious statements. The story of China is too great to debase by propagandist fiction and the country, its people and its army are only sullied by attempts to whitewash them.

Perhaps Messrs. Epstein and Gollancz place a United Front above everything else. Personally I prefer reality. It's grimmer, but it definitely tastes better.

J. B.

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Special features include the super lens, Kodak Anastigmat EKTAR f.2.0. Compur-Rapid Shutter (9 speeds to 1/500), coupled range finder, and film-centering device.

3 REMARKABLE NEW KODAK FILMS FOR MINIATURE CAMERAS

PANATOMIC-X
KODAK FILM
SUPER-XX
KODAK FILM

- **KODAK PLUS-X**
  (Speed plus fine grain)
- **KODAK PANATOMIC-X**
  (Extreme fine grain)
- **KODAK SUPER-XX**
  (Extreme Speed)

Ask for descriptive folders . . at the store displaying the KODAK sign.

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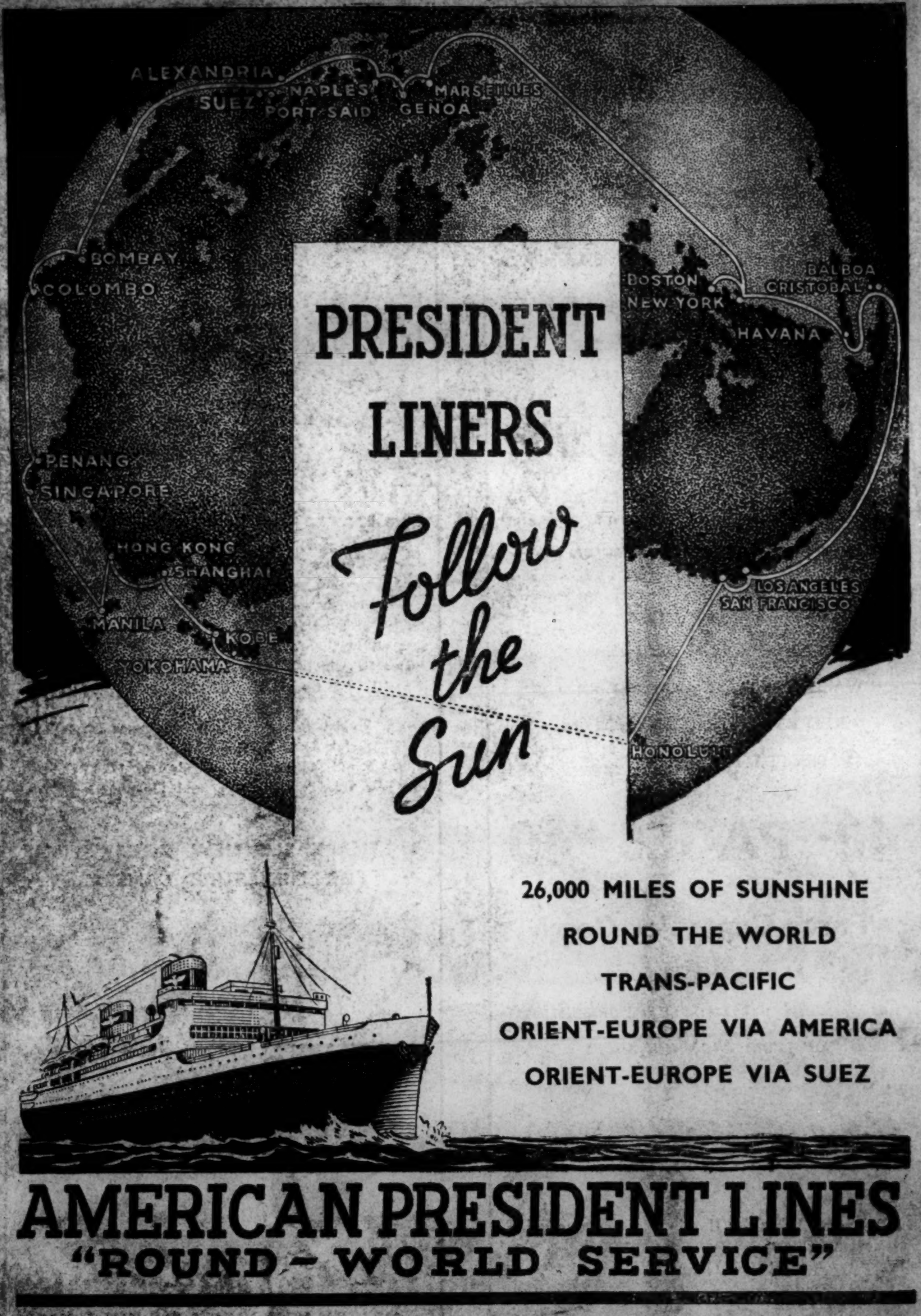
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